2016/2017

THEMBISILE HANI
LOCAL MUNICIPALITY
FINAL DRAFT
ANNUAL REPORT

Chapter 1

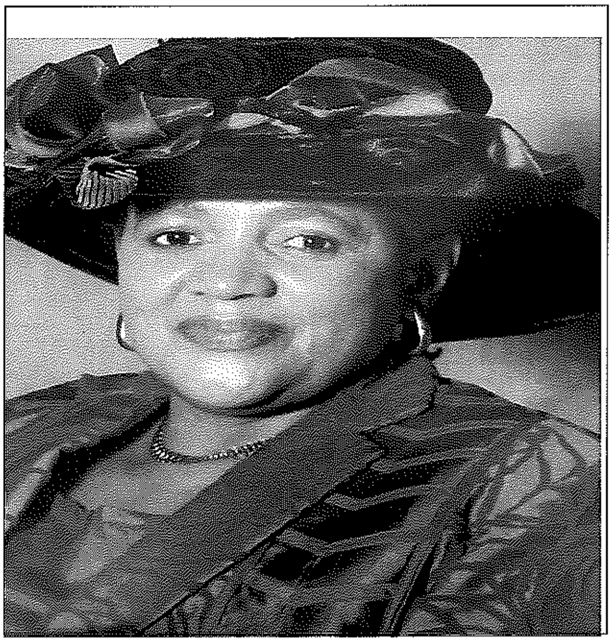
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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

1. **EXECUTIVE MAYOR'S FOREWORD**



Our performance as a municipality for each financial year is measured by whether we have achieved the key objectives set out in our IDP within the allocated budget.

VISION

The municipality's vision is as follows:

"To better the lives of our people through equitable, sustainable service delivery and economic development"

MISSION

Thembisile Hani Local Municipality aims to work towards achieving its long-term vision by:

- Participatory integrated development planning
- Sustainable, accountable and accelerated service delivery
- Promoting socio-economic development
- Intensifying community participation
- Shared economic growth

- Allocating resources within budgetary constraints
- Ensuring effective and efficient financial governance
- Applying good and transparent corporate governance and Batho pele principles in order to create a high performing municipality

THEMBISILE HANI LOCAL MUNICIPALITY VALUES & PRINCIPLES

The municipality will continue to be driven by and observe the following service delivery principles:

- Showing compassion and care to all municipal customers
- Treating all residents equality and with integrity and respect
- Attending to and responding to all queries efficiently
- Conducting the municipal business processes in an ethical and professional manner

KEY POLICY DEVELOPMENTS

Council in 2017 adopted a five year Integrated Development Plan, which is a single, inclusive and strategic plan for the development of the municipality as a whole. It links, integrates, coordinates plans and aligns resources and the budget. Council also approved the budget in 2016/2017, SDBIP and reviewed the IDP.

The 2016/2017 Annual Report reflects on whether our performance is gearing us towards our objective of becoming one of the top 5 best performing municipalities – whether the limited resources at our disposal are enabling progress of meeting our service delivery obligations – or whether the goals we set ourselves to achieve have been a highest mountain to climb resulting in an unsatisfactory report. Effective financial policies and systems are envisaged to ensure financial viability and sustainability.

As alluded in the 2016/2017 budget speech, there are challenges facing Thembisile Hani Local Municipality as a fast growing municipality. These are the highlights which further confirm that *we are yet not where we were before*:

- Improving access to potable water in Thembisile Hani Local Municipality remains an apex priority. I am proud to say that there has been significant work completed on water infrastructure projects during the 2016/2017 financial year. We have constructed a Concrete Weir and Abstraction Work and phase 1 of this project which was completed in August 2017. Construction of the 2.5 Mega litres Water Treatment Plant in Bundu will commenced in August and will be completed in June 2018.

KEY SERVICE DELIVERY IMPROVEMENTS

During the period under review, a concerted effort to implement projects and programs that were budgeted for and encapsulated in our IDP were undertaken and the outcomes thereof are evident within our area of jurisdiction.

Our IDP and Budget consultation meetings gave us the opportunity to listen to the community's needs and we acted on delivering the much needed services. Amongst the completed 2016/2017 projects the following are highlights:

- 100% spent on Municipal Infrastructure Grant projects
- Water : 135 households connected to yard taps
- 56 855 h/h with access to basic refuse removal
- 1251 Community works programme and 108 EPWP jobs created
- 1 Design completed for Mabhoko Cemetery Road

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Though we had to journey through the harsh realities of economic meltdowns, job-losses resulting in an increased unemployment rate and people living beyond poverty lines, factors which affected payment for services negatively, the report indicates improvements that reaffirm that *even though we are still not where we want to be, we are indeed moving forward.*

PUBLIC PARTICIPATION

The municipality uses ward committee meetings, Mayoral outreach meetings, Budget and IDP indaba, radio interviews, loud-hailing and stakeholder meetings to engage the public in decision making process like budget consultation meetings and to improve accountability to communities.

FUTURE ACTIONS

Good governance, leadership and good financial management were enhanced for the period under review through functional Portfolio Committees, Municipal Public Accounts Committee and the Audit Committee (external). The task ahead is to attain 100% of our developmental goals in the remaining financial years through good leadership, good governance and sound financial management to ensure the following:-

- To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible roads
- To create integrated and sustainable human settlements through the proactive planning and development of land
- To create a safe, clean and healthy environment conducive for social development and recreation
- To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection
- To create a conducive environment for economic development, investment attraction and job creation.
- To improve organizational efficiency and promote a culture of professional conduct in order to render quality services
- To deepen democracy and promote active community participation in the affairs of the institution

AGREEMENTS / PARTNERSHIPS

The Municipality in Partnership with Sector Departments in the province, participates in a number of service delivery initiatives through CRDP where departments collaborate in a comprehensive way to among others, build schools, houses, assists communities in agriculture and encourage SMME`s in the project they initiate.

CONCLUSION

The journey of transforming our society and unblocking process of change continues. Commitment by all in this Municipality without reservations is on the rise. The political will is evident and will continue to add value to the required changes. I pledge my competence, commitment and knowledge to this municipality.

Cllr. NS Mtsweni
Executive Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW



As the municipal manager of Thembisile Hani local municipality, I am privileged to have this opportunity in presenting the 2016/2017 annual report.

The 2016/2017 Annual Report will reflect on the progress made in achieving the objectives of the municipality as outlined in our Service Standards, the Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP). There are various factors that we consider in our planning, the primary once being the population and households. The population and number of households is proving to be increasing rapidly as compared to the statistics of 2011. This rapid growth affects the planning of the municipality as the demand for service delivery increases.

Land invasion is high within the municipality, hence the municipality has established a program to strengthen the relationship with traditional leader in the jurisdiction of Thembisile Hani Local Municipality (THLM). A draft memorandum of Understanding (MOU) has been drafted and presented to the traditional leaders and they have also made inputs. The document will be adopted by all parties involved and be implemented. Strengthening this relationship will assist us in alleviating land invasion and we will be able to plan accordingly.

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The financial viability of the municipality is stable. The enhancement of the financial policies and monitoring thereof is crucial in improving the municipality's finances. In the year under review the municipality has adopted a revenue enhancement strategy to address the challenge of revenue collection. The implementation of the strategy will encourage members of the public to pay for municipal services and educate them about the importance and benefits of paying for municipal services.

The Expanded Public Works Programme (EPWP) is central in our waste collection programme. The programme assists us in ensuring that our environment is clean and healthy for the people of THLM. Waste is collected in all the 32 wards, however the frequency of waste collection is low due to lack of resources.

For the previous years we have been prioritising water infrastructure to address the water challenge that is facing the municipality and causing unrests. During the year under review the Bundu Weir project was implemented. It is the first project of its nature to be implemented by the municipality. The project entails the abstraction works and construction of reinforced concrete weir, construction of a 10 Ml/ Day Water Treatment Plant, Construction of a 10 Ml Reinforced Concrete Reservoir and Bulk Pipeline. The project will assist the municipality to alleviate water shortage and will have a major impact on the overall water supply of the municipality.

The municipality is involved in the Moloto road project that is implemented by SANRAL. Through the municipal Local Economic Development unit the municipality monitors the progress that is being made, ensure that the interests of the people of THLM are catered for as this project will assist in boosting the economy of the municipality. The municipality will make sure that the people of THLM are prioritised in the recruitment processes of the project.

I would like to take this opportunity and thank the Executive Mayor, Members of the Mayoral Committee, Councillors, official and our different stakeholder for their role in improving the lives of the people of THLM. Together we are moving THLM forward.

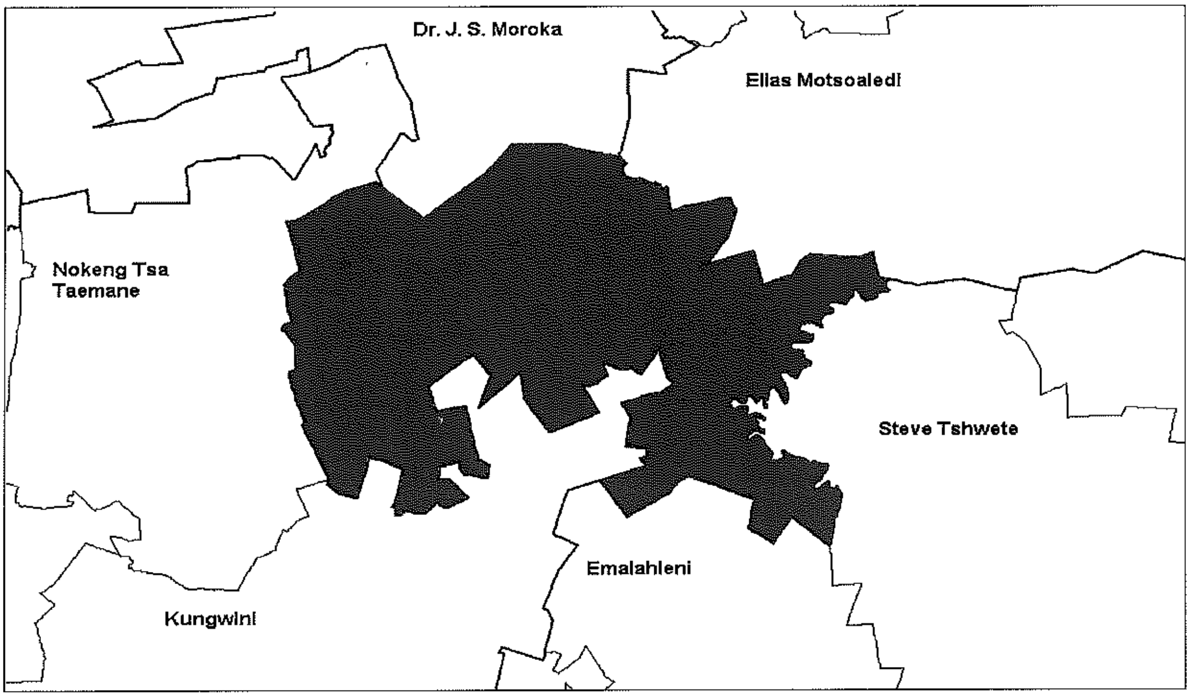
Mr. O.N. Nkosi
Municipal manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

ABOUT THEMBISILE HANI LOCAL MUNICIPALITY

LOCALITY MAP – ADJACENT LOCAL MUNICIPALITIES



SOCIO-ECONOMIC OVERVIEW

Mathyzensloop, Boekenhouthoek, Bundu, Enkeldoornoog, Goederede, Moloto North & South, Sun City A-C, Phola Park, Buhlebesizwe, Vlaklaagte 1, Mzimuhle, Sybrandskraal, Vlakfontein, Witnek, Skoongesight, Modderfontein, Valchspruit, Blesbokfontein, Taaifontein, Rietfontein A, Rietfontein(Bly N Bietjie), Papskuil, Vandykspruit, Loopspruit, Nooitgedaght, Serengkop, Rooipoort, Swaartkoppies, Waterval Farm, Rooiground, Gemsbokfontein.

The majority of the urban areas are informal settlements with limited infrastructure. Urban sprawl due to un-contained and unplanned extensions of settlements is apparent and leads to challenges in providing bulk and reticulation infrastructure. Population density in urban areas is high and low in rural residential areas. Mathyzensloop, Kwaggafontein, Verena, Milliva, Kwamhlanga and Moloto can be regarded as principal business nodes with a neighbourhood shopping centre with some anchor tenants such as chain stores in each node. Secondary nodes exist along the r573 provincial road leading to marble hall. Similar nodes exist along the r25 provincial road which links Kempton Park, Bronkhorstspruit and Verena to groblersdal. to some extent, the two above mentioned provincial roads act as regional activity spines.

Most of the urban, peril-urban and agricultural settlements are situated along the r573 provincial road also known as the Moloto road. The road serves as a major communication and transportation route for the municipality, linking it with marble hall and groblersdal to the east and Gauteng to the south- west. Many future residential and economic developments in the region are planned along the Moloto road.

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The economic analysis of the area indicates that Thembisile Hani local municipality's local economy is dominated by community services, trade (formal & informal, with the latter performing higher than the former) and manufacturing. The remaining sectors are all relatively small. The municipal area's economy is very small when its gap is compared to that of the other name municipalities. Agriculture has a high potential and needs to be nurtured. So is eco-tourism encompassed with rehabilitation of dilapidating tourist destinations and formation of a tourist belt? Therefore specific actions need to be undertaken to broaden the tax base and improve participation in these activities.

There are a few mining activities around the area and these contribute to the creation of jobs and their slp's need to contribute to the uplift of the community of thlm. This issue is pursued by both council and municipality. There is a need to sign mou's by the municipality and mining owners. The application for expansion of the palesa mine is receiving the attention of the municipality and the department of energy.

VISION AND MISSION

VISION

"To better the lives of our people through equitable, sustainable service delivery and economic development ".

MISSION

- Thembisile hani local municipality aims to work towards achieving its long-term vision by:
- Participative integrated development planning
- Sustainable and accountable, accelerated service delivery
- Promotion of socio-economic development
- Intensified community participation
- Shared economic growth
- Allocate resources within annual budgetary constraints

DEMOGRAPHIC PROFILE

Population Size

According to stats SA (2011 census), 310 458 people were recorded in 2011 which accounts for 23.7% of nkangala's population. The population grew by 1.9% pa between 2001 & 2011. The population number is estimated to be in the area of 445 939 people by 2030 given the historic population growth rate per annum. Of the total population 52.4% are female and 47.6% are male and approximately 99.2% are Africans. Youth up to 34 years of age is estimated at 68.7% of the population and the number of households is 75 634 which amounts to 4.1 people per household and 21.2% of the total households in Nkangala. Female headed households are estimated at 46.1% and child headed (10-17 years) households at 0.9 % in 2011. The municipality's population has increased by about an additional 33 000 households in 2015. To date the total number of households in Thembisile is 109 282.

Table: 2.1: population size

demographic indicators	stats SA census	stats SA census	share of nkangala's figure	share of Mpumalanga's figure	ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
population number	258 871	310 458	23.7%	7.7%	5
number of households	58 797	75 634	21.2%	7.0%	6
area size – km^2		2 385	14.2%	3.1%	15
population per km^2		130			

Source: statistic South Africa, 2011.

Population Composition

The gender composition

The gender composition of the municipality indicates that 47.6 % of the population is male and 52.4 % is female. The dominance of the female population is evident over the whole age spectrum. Figure 3.2.2a below shows that there is an increased distortion in gender composition in the age groups ranging between 15 and 54 where there are noticeably less males as compared to females. This can be attributed to the migration of the male populace to the Gauteng region to seek better employment opportunities.

Table 3.2.2.1a: geography by gender

geography	year	male	female	total
Thembisile	2001	119 928	138 944	258 872
	2011	147 659	162 775	310 434
Nkangala	2001	491225	529363	1020588
	2011	656247	651882	1308129
Mpumalanga	2001	1497325	1625661	3122986
	2011	1974055	2065883	4039938

Source: statistic South Africa, 2011.

Table 3.2.2.1b: geography by gender (percentages)

geography	year	male	female	total
Thembisile	2001	46.3%	53.7%	100.0%
	2011	47.6%	52.4%	100.0%
Nkangala	2001	48.1%	51.9%	100.0%
	2011	50.2%	49.8%	100.0%
Mpumalanga	2001	47.9%	52.1%	100.0%

	2011	48.9%	51.1%	100.0%

Source: statistic South Africa, 2011.

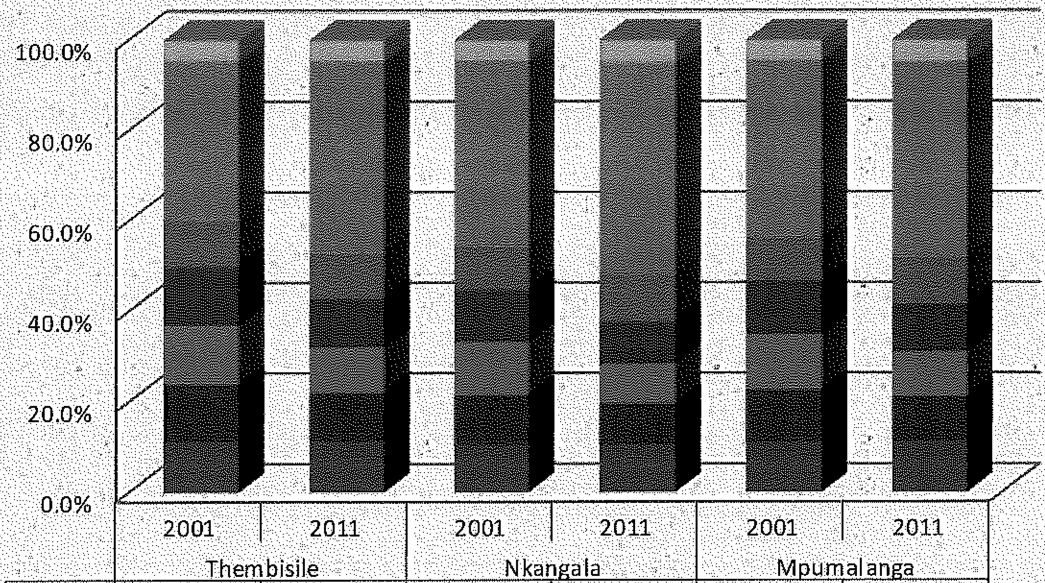
The age structure

The age structure of the municipality shows a youthful population distribution. In 2001, there was strong evidence of declining fertility, which is indicated by a steady decline in the population groups 10-14, 5-9 and 0-4, this is also evident in 2011. It is also evident that the population of the municipality is concentrated in the younger age groups, with the population group between 10 and 19 being the largest. The distribution is similar for both males and females, except for the notable larger female population at all age groups. It is further evident from the graph that there is a noticeable decline in both men and women in the age category 15 – 20 years. The economically active population is standing at 62, 9%, and these are people between the ages of 15 and 64. The municipality also has a dependency ratio of 58, 9% because the rest of the population is either too young or too old to generate income. (See figure 3.2.2c below)

Table 3.2.2.2: age structure

geography	year	00 - 04	05 - 09	10 - 14	15 - 19	20 - 24	25-64	65+	total
Thembisile	2001	29611	32806	33817	33671	26242	90929	11775	258851
	2011	36232	32859	30643	33778	31337	131333	14124	310306
Nkangala	2001	108079	114044	118592	118038	98433	418671	44597	1020454
	2011	140505	119150	113132	124098	136115	609710	65419	1308129
Mpumalanga	2001	348681	364704	379895	370283	295409	1231135	132662	3122769
	2011	461559	402772	396348	424278	427541	1737728	189714	4039940

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	Thembisile 2001	Thembisile 2011	Nkangala 2001	Nkangala 2011	Mpumalanga 2001	Mpumalanga 2011
65+	4.5%	4.6%	4.4%	5.0%	4.2%	4.7%
25-64	35.1%	42.3%	41.0%	46.6%	39.4%	43.0%
20 - 24	10.1%	10.1%	9.6%	10.4%	9.5%	10.6%
15 - 19	13.0%	10.9%	11.6%	9.5%	11.9%	10.5%
10 - 14	13.1%	9.9%	11.6%	8.6%	12.2%	9.8%
05 - 09	12.7%	10.6%	11.2%	9.1%	11.7%	10.0%
00 - 04	11.4%	11.7%	10.6%	10.7%	11.2%	11.4%

Socio-economic development

Employment and unemployment indicators

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. the unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. the loss of jobs and the decline in new job opportunities in neighboring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate. the sero further indicates the following about the municipality:

- Unemployment rate of 37.0% (strict definition) in 2011 amounted 36 139 unemployed as a percentage of the ear of 97 744 - decreasing trend (estimated 2013 unemployment figure by IHS global insight 36.4%).
- Unemployment rate for females 39.9% and males 34.1% - youth unemployment rate of 49.4% in 2011.
- Highest unemployment in ward 30 (50.1%) & lowest unemployment in ward 1 (29.0%).
- Employment number 17.3% of nkangala's employed.
- Employment increased by 27 468 between 2001 & 2011 according to the census – almost 3 000 new jobs per annum – 4% of provincial job creation target.
- Formal employment 54.3% & informal employment 22.5%.

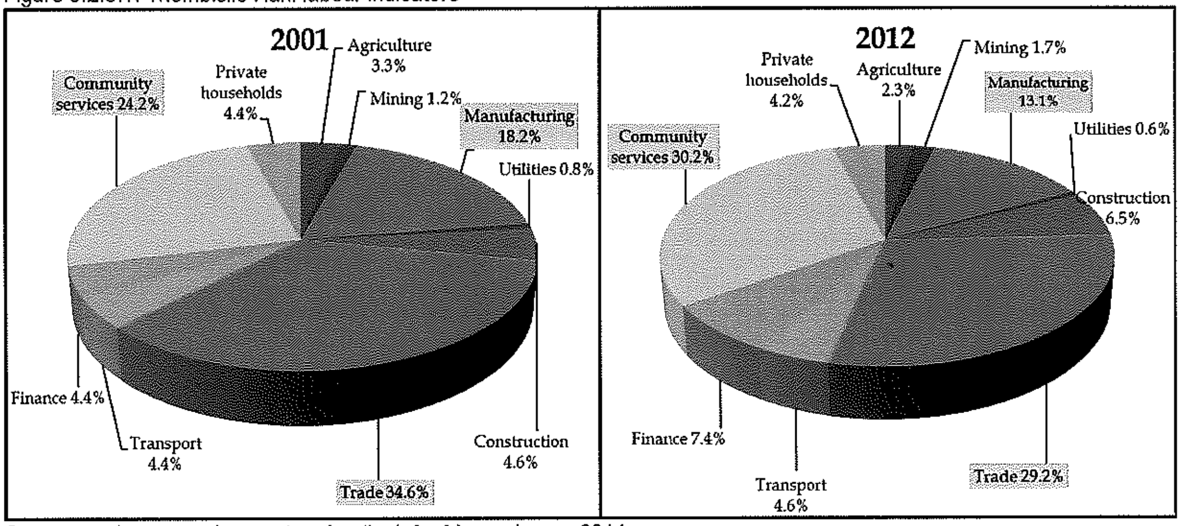
Table 3.2.3.1: Thembisile Hani labor indicators

Labour Indicators	Census	Census	Share Of Nkangala's Figure	Ranking: Best (1) – Worst (18)
	2001	2011	2011	
Working Age Population	151 714	195 457		
Economically Active Population (Eap)/Labour Force	69 910	97 744		
Number Of Employed	34 137	61 605	17.3%	
Number Of Unemployed	35 773	36 139	23.7%	
Unemployment Rate (%)	51.2%	37.0%		15

Source: socio-economic report and outlook for Mpumalanga, 2014

The sero report further illustrated that the leading employment industries within the municipality are community services at 30.2% and trade at 29.2%. Prevailing trends have also shown a decreasing role/share of manufacturing and trade and increasing role/share of community services & finance as the main employers.

Figure 3.2.3.1: Thembisile Hani labour indicators



Source: socio-economic report and outlook for Mpumalanga, 2014

Poverty rate

Thembisile's poverty rate is estimated at around 40% or 128 890 poor people and this makes the municipality the poorest in the district and forth poorest in the entire province, this is however a declining trend. The bottom 40% of households shared 12.2% of the total income in 2013. Statssa's multidimensional poverty index (sampi) in thembisile Hani has improved from 0.07 in 2001 to 0.02 in 2011.

Table 3.2.3a poverty and inequality

indicators	trend			latest figure	better (+) or worse (-) than Nkangala	better (+) or worse (-) than province	ranking: best (1) – worst (18)
	2001	2004	2009	2012			
poverty rate	53.3%	52.8%	47.7%	40.8%	(-) (30.6%)	(-) (36.9%)	15
number of people in poverty	145 068	145 708	142 877	128 890			15
poverty gap (r million)	r176	r240	r339	r346			14

Source: Mpumalanga socio-economic outlook report, Mpumalanga department of finance, 2014

Individual income

Table 3.2.3b: geography by individual income

		no income	r 1 - r 400	r 401 - r 800	r 801 - r 1 600	r 1 601 - r 3 200	r 3 201 - r 6 400	r 6 401 - r 12 800	r 12 801 - r 25 600	r 25 601 - r 51 200	r 51 201 +	total	average
Thembisile	2001	880	4498	9169	11259	5132	2254	747	210	0	0	34149	r 1 589
	2011	131799	85110	8946	39693	19563	8613	4344	2025	429	225	300747	r 907
Nkangala	2001	4137	22046	40579	49193	41283	24612	12732	5272	0	0	199854	r 2 644
	2011	401493	44643	29014	96955	80664	62900	48168	33747	12323	4826	814733	r 3 182
Mpumalanga	2001	12619	134766	139875	131103	100495	64222	32064	14831			629975	r 2 239
	2011	1243674	159802	103097	310187	211586	150589	122607	84152	30239	12436	2428369	r 2 720

Source: statistic South Africa, 2011.

Education indicators

In the municipality citizens that are 20 years of age and older with no schooling account for 18.0% (31 711) total population of the municipality (34.4% of nkangala's district), and this is one of the highest in the province. The total population that are 20 years of age and older with matric & higher qualification account for the 31.6% of the total population and this has shown an improvement but is still however lower than both district and provincial averages (third lowest in the province). The functional literacy rate (15+ with grade 7+) is also improving but is still lower than the district and provincial averages. The matric pass rate was sitting at 73.0 % in 2013 and the university/degree admission rate was only 18.0% in 2013. Thembisile Hani municipal area has 72 government funded ecd (early childhood development) centers in 2014/15 financial year.

Table 3.2.3.4: education indicators

education indicators	trend	latest figure	better (+) or worse (-) than Nkangala	better (+) or worse (-) than province	ranking: best (1) – worst (18)
	2001	2011			
number of people 20+ with no schooling	43 736	31 711			15
Population 20+ with no schooling (%)	33.9%	18.0%	(-) (11.5%)	(-) (14.0%)	13
Population 20+ with matric & higher (%)	19.6%	31.6%	(-) (40.2%)	(-) (38.8%)	16
Functional literacy rate (%)	57.5%	71.8%	(-) (79.0%)	(-) (76.9%)	14

Source: socio-economic report and outlook for Mpumalanga, 2014

Population groups

Thembisile Hani local municipality has a total population of 310 458 people, of whom 99, 2% are black African, and 0, 3% are Indian/Asian. The other population groups make up the remaining 0, 5%. Based on the aforementioned, it is evident that the municipal population is predominantly composed of black Africans.

Percentage distribution of Thembisile Hani local municipality

group	percentage
black african	99,2%
coloured	0,2%
indian/asian	0,3%
white	0,1%
other	0,2%

Household trends

The number of households in Thembisile Hani local municipality have increased by about 13.5%, from 65 394 in 2007 to 75 634 in 2011. The average household size is 4, 1 persons per household and 46, 1% of households are headed by females. only 16,3% of households have access to piped water inside the dwelling, 72,1% of households have access to piped water inside the yard and 4,6% have no access to piped water. Table 2.2.2 below shows the current household trends in the municipality.

Household trends (source s statistics South Africa, 2011)

enumeration type	figures and percentages
number of households	75,634
average household size	4,1
female headed households	46,1%
formal dwellings	85,6%
housing owned/paying off	76,1%
flush toilet connected to sewerage	6,8%
weekly refuse removal	4,6%
piped water inside dwelling	16,3%
electricity for lighting	92,3%

Population languages: source: stats SA

language	percentage
Afrikaans	0,4%
English	1,2%
isiNdebele	58,4%
isiXhosa	1%
isiZulu	12,5%
Sepedi	12,6%
Sesotho	4,8%
Setswana	1,9%
sign language	0,3%
siSwati	2,9%
Tshivenda	0,4%
Xitsonga	2,6%
other	0.9%
not applicable	0,1%

Education profile

The attainment of education is a key indicator of a developing society. The level of education of a society influences its welfare through its indirect influence on health, fertility and life expectancy. in Thembisile, of those aged 20 years and older, 18,3% have completed some primary school, 32,4% have some secondary education, 26,2% have completed matric, and 5,2% have some form of higher education, while 18% have no form of schooling. considering that the labor absorbing market requires at least some level of skilled labour for decent work, the municipality's population is largely unskilled with only 5,2% of the population having some form of higher education and training. This therefore, further exacerbates unemployment rates.

Highest educational levels

group	percentage
no schooling	2,6%
some primary	44,8%
completed primary	6,5%
some secondary	33%
completed secondary	11,7%
higher education	1,3%
not applicable	0,1

Employment profile

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. the unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. the loss of jobs and the decline in new job opportunities in neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate.

employment status	number
employed	61605
unemployed	36139
discouraged work seeker	13477
not economically active	84188

Source: statistics South Africa, 2011

Income categories

The main labour absorbing markets in the municipality are social services, business services, retail, trade and agriculture. These markets provide the basis for employment and income within the municipality and suggest that the municipality must concentrate on labour intensive programmes and skills development when rendering services. Approximately 13, 8 % of the households within the municipality have no income and more than 50% of the households earn less than r 50 000 per annum.

Household income

income	percentage
none income	13,8%
r1 - r4,800	5,6%
r4,801 - r9,600	9,7%
r9,601 - r19,600	20,3%
r19,601 - r38,200	23,6%
r38,201 - r76,4000	15,2%
r76,401 - r153,800	7,4%
r153,801 - r307,600	2,9%
r307,601 - r614,400	1%
r614,001 - r1,228,800	0,2%
r1,228,801 - r2,457,600	0,1%
r2,457,601+	0,1%

Economic analysis

The city of Tshwane and areas such as Bronkhorstspruit and Witbank provide a regional function to areas in Thembisile (e.g. trade services, banking, manufacturing, storage, transport, etc.), because of its size and level of sophistication. The economy is unable to generate a significant number of direct employment opportunities for the local communities. The economies of surrounding townships and rural areas comprise mostly of informal activities and largely serve the immediate consumption needs of local people.

The municipality is further characterised by limited job opportunities and high levels of unemployment and illiteracy. As a result, there are very limited industrial activities and high levels of dependency and poverty. The dependency on neighboring towns and cities to provide job opportunities has necessitated a culture were a significant amount of the population commutes on a daily or regular basis to areas such as Tshwane, Ekurhuleni, Johannesburg and emalahleni.

Economic activities within the municipality are dominated by public services and informal trade particularly those found at main intersections in Moloto, Kwamhlanga, tweefontein, Verena and Kwaggafontein. The municipality also has potential for mining, agriculture and eco-tourism. The municipal area is largely suitable to agriculture, both for ploughing and stock farming. The indigenous knowledge of communities within the municipality should also be sustained. These include knowledge and skills in bead work, traditional painting, weaving, and grass work.

The small industrial parks that were developed by the kwandebele government are now in disuse. There is a need for the municipality to resuscitate these small industrial parks in order to contribute to sustainable employment within the municipal area.

Employment status comparison with district and province

area	employed	unemployed	discouraged work seekers
Thembisile	61611	36141	13476
Nkangala	355478	152250	42554
Mpumalanga	969771	448126	150844

Economic sectors and activities

Agriculture

Apart from the urban settlements highlighted above, the rural parts of the Thembisile Hani local municipality are predominantly utilized for agricultural purposes. The agricultural land towards the east of Verena is predominantly utilized by large scale farmers while the agricultural land to the west of Verena in the Thembisile Hani area is utilized by local and emerging farmers. Extensive agriculture, particularly cattle and game farming is the predominant form of farming.

Mining

There are currently limited mining activities occurring in the southern portions of the municipality along the r568 road. A number of external stakeholders have shown interest in developing mining opportunities within the municipality.

Tourism

The tourism attraction sites in the municipality include the Zithabiseni holiday resort in the Mabusa nature reserve (to be restored to its former glory) and the main tourism node: the Kgodwana village and Loopspruit winery at Schoongezicht, just east of the r568 between Kwamhlanga and Ekangala in the south.

Trade and local business

the economic activity around the intersection of routes r568 and r573 in the vicinity of Kwamhlanga represents the highest order activity node in the municipality this is probably the most strategic intersection in the entire municipal area, and it is surrounded by a fairly large number of households (formal and informal). The result is a fairly high concentration of economic activity with a variety of shopping facilities (formal and informal), a taxi rank, and community facilities which include, amongst others, the Solomon Mahlangu stadium and the former Kwandebele government offices.

The second most significant activity node in the Thembisile Hani area is found in Kwaggafontein b at the intersection between route r573 and the link road between Kwaggafontein and Verena where a large shopping Centre (kwagga plaza) exists. The Thembisile Hani local municipality offices are also located in this precinct.

there are about five other emerging/secondary activity nodes that can be distinguished in the Thembisile Hani area: the first is in the vicinity of Moloto, the second at Enkeldoornoog b, the third one at Vlaklaagte 2, the fourth at mathys zyn loop to the north, and the fifth at Verena around the intersection between routes r25 and r544 in the southern parts of the Thembisile Hani local municipality. These are all smaller nodes (second order) that are still in the process of development, and comprise a mixture of formal and informal retail, commercial and service industry activities.

Job creation initiatives

The municipality must focus on maximizing its contribution to job creation, by ensuring that service delivery and capital projects implementation use labor intensive methods wherever appropriate. The municipality furthermore supports job creation initiatives through the community works programme and the pew programmes.

Social analysis

Integrated and sustainable human settlements and housing

The lack of housing has been highlighted as one of the key challenges facing communities during many community outreach meetings. A housing survey conducted in 2009 indicated a huge backlog in housing delivery. Many people within the municipality live in informal houses (mud houses and shacks) which are either too old to be inhabited or a structurally weak and are thus vulnerable to being destroyed by bad weather (storm/rain during the summer). The housing survey revealed that there was a housing backlog of about 9764 units, and there are currently no recent statics to gauge whether or not this backlog has increased or subsided.

the unavailability of an integrated human settlements plan and the retention of land for integrated human settlements have over time resulted in the eruption of informal settlements in almost all the municipal areas. This is exacerbated by the allocation of land by some traditional authorities without having considered the necessary impact.

The municipality has also participated in housing delivery programmes with national and provincial departments of human settlements over the years. The programs that were used to fund some of the housing development projects in the municipality include:

Projects link programme (Greenfields programme)
Peoples housing process
Community based rural subsidy programme
Disaster/emergency programme
Community based individual subsidy

Health

Thembisile is served with health care facilities such as clinics and visiting points. The following health facilities are provided within the municipality:

facility name	location	number
Kwamhlanga hospital	Kwamhlanga	1
community health center (24 hour service)	Buhlebesizwe / Vlaklaagte 2, Kwaggafontein, Moloto, Verena, Kwamhlanga and Thembalethu	6
clinics (8 hour service)	Empilweni, Gemsbokspruit / Mzimuhle, Goederede, Vlaklaagte 1, Kameelpoortnek, tweefontein c, tweefontein d, tweefontein a, tweefontein m, Vriesgewacht,, tweefontein h, Boekenhouthoek/ Zithabiseni and Kwagga a, tweefontein g clinic	15
mobile clinics	Verena chc mobile, Thembalethu chc mobile, Kwaggafontein chc mobile and Moloto chc mobile table: 37 time table for mobile clinics	4

Both primary and secondary health care facilities are problematic in certain areas due to limited resources, which make it difficult to ensure that all the communities are provided with the minimum acceptable levels of health services. Most of the clinics do not provide a 24-hour service due to lack of staff and resources, but the municipality is fairly well served with health facilities.

Sports, art and culture

Thembisile Hani local municipality has two stadiums namely, Solomon Mahlangu stadium and the Kwaggafontein stadium, located in Kwamhlanga and Kwaggafontein respectively. The Solomon Mahlangu stadium has an array of facilities to support different sporting codes including netball, tennis, basketball and boxing. In order to fortify the potential of the sporting hub all sporting facilities in the vicinity of the stadium should be upgraded, maintained and integrated to the existing hub. the regional sport and recreation master plan conducted for the Nkangala district in 2003 provides an assessment of the type of facilities currently in the municipal area (e.g. soccer, netball, athletics etc.), together with their location and condition. (See municipal sdf for further detail). The two libraries in the municipality need to be maintained and furnished with books in order to encourage the community to read and write. The mobile libraries in Verena and Boekenhouthoek are also not function because of the lack of personnel to administer their functioning.

Some of the challenges relating to sport, arts and culture include:

- lack of a funding model for the naming, renaming and signage of geographical features, streets, heritage sites and settlements;
- heritage sites and tourist attraction sites in the municipality are not formalised and promoted;
- lack of access to sporting facilities by the local community;
- sport committees at ward level exist but are dysfunctional;
- there is a need for community gymnasium to encourage the wellness of community;

Telecommunication and postal services

There are four post offices within the municipality. These are located at Kwaggafontein, Verena, Kwamhlanga and Somarobogo. There were 24 lobby post boxes serving the community, two were removed from Verena and one from Somarobogo by the South African post office. These where removed because of the ineffectiveness of the service and were consequently replaced by street delivery service. The street delivery system might be effective but might be hindered by the lack of street names and proper house numbering. The municipality and the post office must develop the mechanism of ensuring that farm communities have access to this service. On average the municipality is well serviced with telecommunication services including cellphone networks. Approximately 68, 2% of the households reported that they had access to telephone facilities at home or nearby, while 27, 8% had access to a cell phone only. Only 1, 4% of the population had no access to any form of telecommunication.

The following problems have been raised by the community:

The delivery of letters is delayed due to contradicting stand numbers.

Public transport

Most of the residence of the municipality work in Gauteng and commute to Tshwane and the surrounding areas on a daily basis. Buses and taxis are used as a staple mode of transport to work. This makes the r573 (Moloto road) very busy during peak hours and poses a higher risk of motor car accidents. Transport infrastructure in the form of bus/taxi terminals are also not adequately provided to cater for the business. Existing infrastructure is dilapidated and needs to be restored or upgraded. The public transport traffic volumes put considerable strain on the road infrastructure.

Moloto rail corridor development initiative

The Moloto rail corridor development initiative was launched at national and provincial government level and enjoys the full support of the Nkangala district municipality and local municipalities in the district. The main focus of the initiative is to replace the bus commuter system along the Moloto road with a rail commuter system. The objective is to provide safer, faster and more efficient rail transport, while buses and taxis will be used as part of a feeder system to the railway stations along the Moloto rail corridor.

The railway line and stations will form the basis for the nodal system, which will be used as a tool to promote the development of retail and community facilities at stations. Stations will be developed in accordance with the concept of transit orientated development, which promotes high density, mixed land use within walking distance from stations. These toads will create the critical mass required to stimulate viable economic activity. Through careful planning, a range of community services can be provided along the railway line, ensuring that the community has access to a full range of community services through use of the railway system.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality provided communities with portable water and sanitation. The portable water are purchased from three external water source because the municipality does not have its own source. The water systems are operated and maintained according to the blue water requirements. As a result blue drop Thembisile Hani local municipality received with an average score of 79.44%. The municipality is committed to achieve green drop status in future.

The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, health care risk waste management. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on fortnight basis. The growing municipal population is exacerbating the demand on resources and services, and increasing the generation of waste to meet many of these demands.

The municipality has recorded the below amount of services and the receipt of the water quality

- provided 56 991 households with access to basic water
- provided 56 855 households with access to basic refuse removal
- provided 2287 households with access to basic sanitation (water borne system)
- provided 56 991 households with access to free basic water(6 kl)
- received a 79.44% blue drop for drinking water quality
- received an 25.68% green drop status for effluent water quality

CHALLENGES

- The provision of free basic electricity in Thembisile Hani local municipality where Eskom is the supplier.
- no proper indigent register
- community of Thembisile Hani local municipality requires water borne sanitation system and not the VIP toilets anymore
- lack of own water source/need for purification plant
- lack of water storage in Moloto and Bundu
- huge backlog on gravel roads

1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview - 2016/2017

Financial Overview - 2016/2017 R			R
Details	Original budget"000	Adjustment Budget	Actual
Income			
Grants	453 690 000	463 690 000	533 393 981
Other	173 161 648	285 825 768	278 951 442
Sub Total	626 851 648	691 636 540	812 345 423
Less Expenditure	609 861 144	749 515 768	703 887 498
Net Total*	16 990 504	-57 879 228	108 457 925
* Note: surplus/(- defecit)	**Note: operational and capital included on the expenditure**		T1.4.2

2016/2017 Operating Ratios (adjusted budget)	
Detail	%
Employee Cost	15.80%
Repairs & Maintenance	0.38%
Finance Charges & Depreciation	11.72%
	T1.4.3

LIQUIDITY RATIO

Liquidity ratio for 2015/2016 was 1.7 and for 2016/2017 is 2.6

COMMENT ON OPERATING RATIOS

Employee costs is within the acceptable norm of approximately 15.80% to total operating cost. Repairs and maintenance constitute 0.38%. Although the percentage is below the norm, there are no major repair and maintenance backlogs. Overall are the municipal assets in good health. Finance charges and depreciation is 11.72% to total operating cost. This medium percentage informs that the municipality is in a position to take up additional external funding.

Total Capital Expenditure			
	R		
Detail	2014/2015	2015/2016	2016/2017
Original Budget	111 451 000	119 139 000	117 504 000

Adjustment Budget	111 340 503	125 072 054	117 504 000
Actual Expenditure	75,392,503	125 072 054	117 503 000
%	68	100	100

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Thembisile Hani local municipality has an organizational structure which is aligned to the IDP and is reviewed annually to ensure operational effectiveness.

The organogram has the following departments:

- department: municipal manager's office
- department: corporative services
- department: budget and treasury office
- department: technical services
- department: social development services

The municipal manager and all managers have signed employment contracts and annual performance agreements

The percentage of vacant posts on the municipality's organogram is at 3.4 % by the end of the financial year.

The major priority for the municipality in terms of organisational development relates to organisational reengineering wherein the municipality has contracted a service provider on a multiyear agreement to undertake this process. The service provider is expected to assist the municipality in developing relevant job descriptions for each employee, assisting the municipality in conducting the job evaluation for the purpose of the proper grading of the municipality and embedding and cascading performance management system to all levels. The second priority in the continuous capacity building of municipal employees in terms of the municipal finance under the mfip programme as well as other capacity building initiatives for other employees. . The municipality's record management unit plays an important role in the affairs of the municipality in line with the archives act of South Africa act no. 43 of 1996. Another development for the municipality was the use and adoption of grap standards by the finance department to guide on the accounting standards and the adoption of mscoa that the municipality is expected to implement with effect from 01 July 2017.

Chapter 1

1.6. 2016/2017 AUDITOR GENERAL REPORT

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

For the financial year (2016/2017) Thembisile Hani Local Municipality received unqualified opinion.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration Of Next Financial Year's Budget And Idp Process Plan. Except For The Legislative Content, The Process Plan Should Confirm In-Year Reporting Formats To Ensure That Reporting And Monitoring Feeds Seamlessly Into The Annual Report Process At The End Of The Budget / Idp Implementation Period July	July
2	Implementation And Monitoring Of Approved Budget And Idp Commences (In Year Financial Reporting).	
3	Finalise The 4th Quarter Performance Report For Previous Financial Year	
4	Submits Draft Annual Report Including Annual Financial Statements And Performance Report To Auditor General	August
5	Annual Performance Report As Submitted To Auditor General To Be Provided As Input To The Idp Analysis Phase	
6	Auditor General Audits Annual Report Including Annual Financial Statements And Performance Data	September - October
7	Municipalities Receive And Start To Address The Auditor General's Findings	
8	Commencement Of Draft Budget/ Idp Finalisation For Next Financial Year. Annual Report And Oversight Reports To Be Used As Input	
9	Receive Management Letter And Provide Final Comments On Findings	November
10	Auditor-General Submit Audit Opinion	
11	Executive Mayor Tables Annual Report And Audited Financial Statements To Council Complete With The Auditor- General's Report	January
12	Audited Annual Report Is Made Public And Representation Is Invited	February
13	Oversight Committee Assesses Annual Report	
14	Council Adopts Oversight Report	March
15	Council Table Next Financial Year Budget / Idp And Invite Public Representation	
16	Oversight Report Is Made Public	April
17	Oversight Report Is Submitted To Relevant National & Provincial Stakeholders And Legislature	
18	Council Approve Next Financial Year Budget / Idp	May
19	Make Public Approved Budget And Idp	June
20	Finalize Sdbip And Performance Agreements For Next Financial Year	
21	Make Public Sdbip And Performance Agreements	July

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derives maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that municipal manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual report in august of each year, which is consistent with the mfma.

One of the advantages of compiling an unaudited annual report in august is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An audited annual report submitted in august will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

The annual report of a municipality must be tabled in the municipal council on or before 31 January each year (mfma section 127). In order to enhance oversight functions of the council, this must be interpreted as an outer deadline; hence the municipality must submit the annual report as soon as possible after year end, namely, august. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective management of performance will also result from this change.

The annual report must be aligned with the planning documents and municipal budget for the year reported on.
This means that the IDP, budget, sdbip, in-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (msa s41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (mfma, s24).

The annual report content will assist municipal councillors, residents, oversight institutions and other users of annual reports with information and progress made on service delivery. It must align with the integrated development plan (IDP), budget, service delivery and budget implementation plan (sdbip), and in year reports. the contents will also assist with the annual audit other key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees, reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters.

Chapter 2

CHAPTER 2 – GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

The political and administrative components of council maintain a sound working relationship by ensuring respect of procedures and protocols. Communities as an interest group in municipal affairs participates through public participation mechanisms and processes in the decision making systems of council.

This includes interaction with the stakeholders in shaping the performance of the municipality in order to enhance a healthy relationship and minimizing conflict.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of municipal outreach's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the municipality. This process ensures healthy relations with the community and minimizes conflict. Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes and laws by which council is operated, regulated and controlled.

The political structure of Thembisile Hani local municipality comprises of the executive mayoral system that consists of:

Executive mayor
Hon. Speaker
Chief whip
Mayoral committee
Councillors

The municipal manager is the administrative head and acts as a link between the politicians and the administration. The municipal manager is supported by the following section 56 managers appointed in terms of the municipal systems act:

Manager corporate services (mcs)
Manager technical services (mts)
Manager social development services (msds)
Chief financial officer (cfo)

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

MFMA section 52 (a): the mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The executive mayor is the political head of the municipality. The position of speaker is a full-time post, and takes responsibility for the running of council meetings. The speaker is the chairperson of the council. The office of the chief-whip is established to create synergy and to maintain discipline among councillors from various political parties. The role of the chief-whip of the council covers both the political and administrative domains of council with emphasis on the political aspect. The chief whip deals with the well-being and attendance of all councillors.

The municipal council consists of 32 ward councillors and 32 PR councillors. The council meetings are governed according to the approved rules of order. Council has established the mayoral committee system with section 79 and 80 committees who makes recommendations to council.

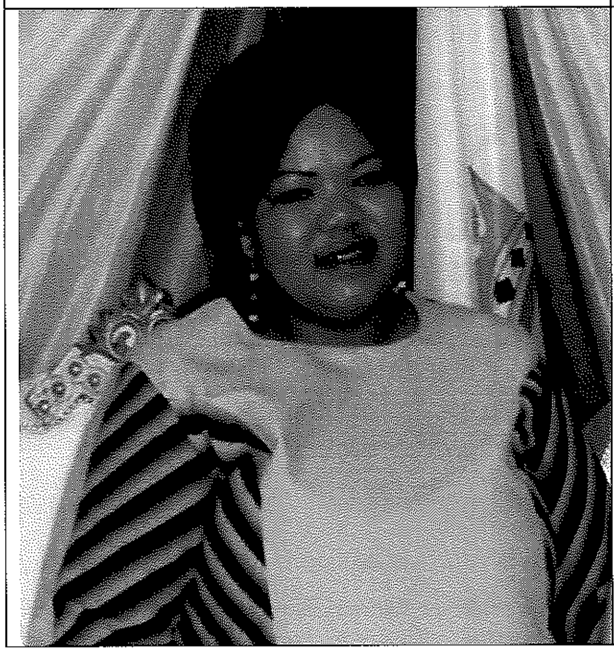
Section 79 committees of the council report directly to council, in accordance with the terms of reference of such committees approved by council. This committee provide general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality. This section 79 committees are chaired by independent councillors other than members of the mayoral committee.

Section 80 committees assist and report to the executive mayor. The executive mayor has appointed the mayoral committee members as chairpersons for each of the committees.

The municipality has its own audit committee. the audit committee meets a minimum of four times per year and is an independent advisory body that advises council, political office-bearers, the accounting officer and the management of the municipality on matters related to internal control, internal audits, risk management accounting policies and adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the mfma, the division of revenue act and provide comments to MPAC and council on the annual report.

Mpac is an oversight committee which comprised of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of council to ensure good governance in the municipality. Mpac also make comments and recommendations on the annual report separately to council.

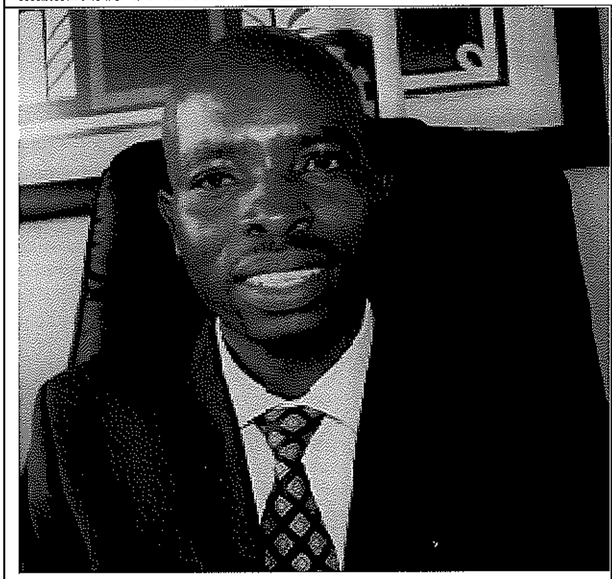
Chapter 2

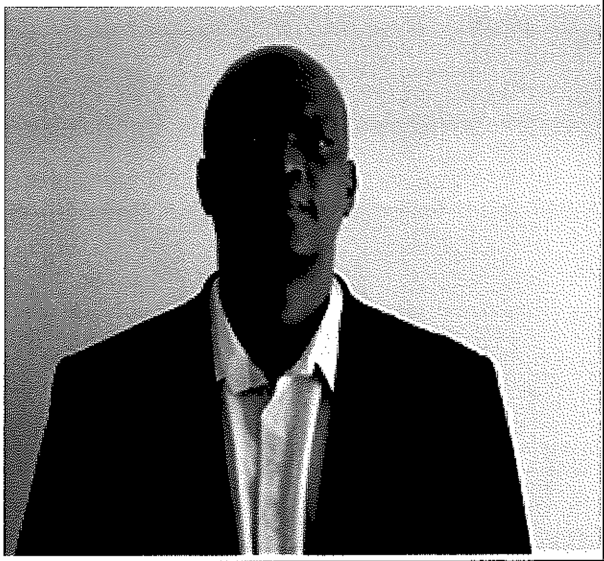
	**EXECUTIVE MAYOR** **Cllr. N.S. Mtsweni** (Political Head) The Executive Mayor identifies the needs of the municipality, review and evaluate those needs, in order of priority, recommend to the municipal council strategies, programme and services to address priority needs through the integrated development plan, and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans, recommends and determine the best way to deliver strategies, programmes and services to the maximum benefit of the community. The executive mayor also performs a ceremonial role.
	**SPEAKER** **Cllr.N.E. Hlophe** (Chair Person Of Council) Presides at meetings of the council. Maintain order during meetings and ensure that meetings are conducted in accordance with the rules of order of the council.

Chapter 2

	**Chief Whip** **Cllr. J.J. Tau** Manage councillors and maintain discipline in council The chief whip ensures that councillors are accountable to the communities, that code of conduct is respected and adhered to by all councillors. The chief whip ensures discipline during council and committee meetings. he facilitates political debates, workshop for all councillors

Chapter 2

MEMBERS OF MAYORAL EXECUTIVE COMMITTEE:	
	CLLR.T.J. MAKHWITING **MMC TECHNICAL SERVICES** Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities.
	CLLR. L.M.TSHABANGU **MMC FINANCE SERVICES** Provide and manage financial services to ensure financial viability, compliance and reporting.

	**CLLR.T.L. MABENA** **MMC LOCAL ECONOMIC DEVELOPMENT** Ensures that the led unit`s mandate of coordinating led related activities is realized and the push towards the eradication of poverty and job creation fulfilled
	**CLLR. M.P. MSIZA** **MMC SOCIAL DEVELOPMENT SERVICES** Render integrated community services to all its communities

Chapter 2



CLLR.N.E. PHAKATHI

MMC CORPORATE SERVICES

Provides corporate services to ensure efficient support of organisational processes

Councillors

Councillors provide a vital link between communities they serve and the municipality. They are responsible for representing the needs and interests of the people they represent, regardless of whether they voted for them. Although councillors are not usually full time professionals, they are bound by a code of conduct. The councillors serve for five years.

Thembisile Hani local municipality comprises 32 ward councillors and 32 pr councillors. See **appendix a** where a full list of councillors can be found (including committee allocations).

Award councillor has to balance the expectations of his/her ward and that of their political party. the ward councillor is the chairperson of the ward committee, responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, ensuring that the ward committee does what the municipality expects about reporting procedures.

See **appendix b** which sets out committees and committee purposes.

The ward councillors should be fully involved in all community activities that the ward committee is engaged with and communicate the activities and meetings schedules to the pr councillors. PR means proportional representation, where voters vote for a political party not an individual candidate within a party. The ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it got. The party decides which members fill those councillor places. A PR councillor is allocated to a ward and provides support to the ward councillor in things that relate to the ward or the ward committee.

A PR councillor handles queries and complaints in consultation with the ward councillor, assist with resolving of disputes and making referrals, help with implementation of projects, support the ward councillor without replacing the ward councillor, attend ward committee meetings, constituency meetings and special meetings

Political decision-making

The legal framework empowers the executive mayor to provide political leadership for policy and outcomes, and holds the municipal manager and other senior managers responsible for implementation and outputs.

Chapter 2

The executive mayor presides at meetings of the mayoral committee and performs the duties, including any ceremonial functions, and exercises the powers delegated by the municipal council except those powers that are reserved by the constitution of the republic of South Africa and other applicable regulations.

The executive mayor appoints members of the mayor committee to assist with carrying duties in terms of section 80 of the municipal system act. The executive mayor reports to council on the execution of his delegated powers.

Council is chaired by the speaker and the executive mayor chairs the mayoral committee meetings and executive duties through council resolutions, delegations and committees.

Council has also formed section 79 committees which meet monthly except the audit committee and mpac, which normally meet quarterly. This section 79 committees are chaired by an independent councillors other than members of the mayoral committee. Their main function is to monitor the activities of the members of the mayoral committee.

The administration is charged with the responsibility to implement council resolutions and to submit monthly progress reports to the relevant MMC'S who in turn report to the section 79 council committees. All council resolutions are monitored and implemented.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

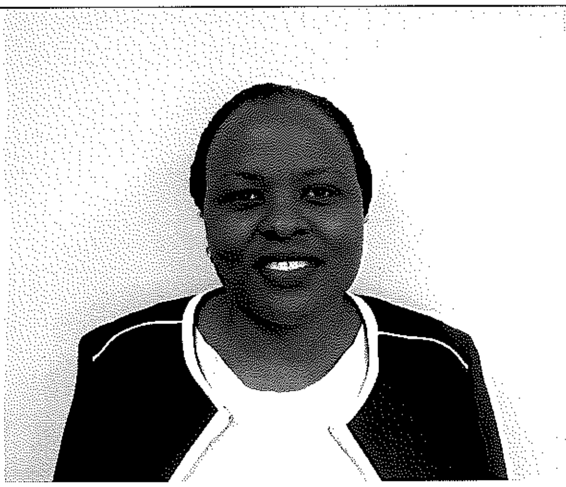
mfma section 60 (b): the municipal manager of a municipality is the accounting officer of the municipality for the purposes of this act and must provide guidance on compliance with this act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The administration is led by the municipal manager (mm), who is appointed in terms of section 54a of the municipal systems act. The municipal manager is employed on a contract basis, which includes a contract of employment, an annual performance agreement with performance objectives and targets and procedures for evaluating performance. The municipal manager is the accounting officer of the municipality.

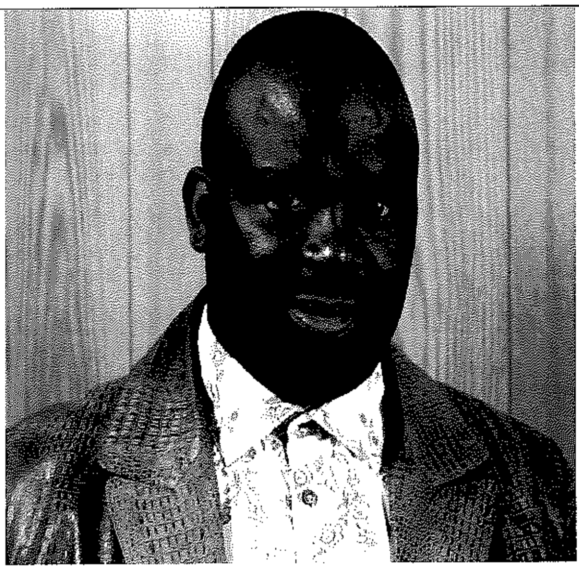
Together with other managers the mm leads the administration by amongst others implementing council resolutions, advising council and its committees, lead the IDP and budget planning and implementation processes. There are functions that are delegated by council to the municipal manager, who in turn sub-delegates certain functions to the cfo and other managers. Under their leadership, municipal officials attend community consultative meetings, report in management meetings on plans and progress in addressing community issues.

Chapter 2

TOP MANAGEMENT

ADMINISTRATIVE STRUCTURE	FUNCTIONS
 **Municipal Manager** **Mr On Nkosi**	As head of administration and accounting officer of the municipality the municipal manager is subject to the policy directions of the municipal council, responsible and Accountable for duties and responsibilities outlined under section 55 of the municipal systems act and any other relevant duties as may be delegated from time to time to the municipal manager by the executive mayor and council. The municipal manager is also responsible for duties outlined under sections 60 to 75 of the municipal finance management act. Implementing a monitoring and evaluation methodology in line with legislative requirements. provide leadership and directive in operating of the performance management system and monitoring and evaluation, development of the sdbip, quarterly performance reports and annual report units: idp, performance management system, youth development, local economic development, public participation, risk management, internal audit and communication
 **Manager Corporate Services** **Ms.L. Nxumalo**	Establishing and maintaining structures that will, within the parameters of legality and good governance provide the administration that will be appropriately relevant, timeous and effective execution of tasks and be transparent as well as provide conducive environment to stimulate public participation within the co-operative governance Units: human resources management and development , , ict and administrative services, , legal and council secretarial services and fleet management

 **Chief Financial Officer** **Mr. B.B. Sithole**	Ensure effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management.
 **Manager Technical** **Ms Rf Morudu**	Providing water, roads, storm-water and sanitation through a well-established and maintained infrastructure that will stimulate growth resulting in a broader income base and will encourage taxpayers to sustain payments through a well-established and maintained infrastructure.

 **Manager Social Development Services** **Mr Ntg Kubheka**	Developing and maintenance of recreational facilities by establishing a friendly, green, clean, neat and beautiful city, developing and maintaining the cultural heritage of and to render a sustainable cleansing service to all residence of the Thembisile Hani local municipality. establishing a safe and crime free environment where all people can develop to their full potential by promoting safer communities through prevention, preparedness, response, recovery, education and enforcement
All the above mentioned positions are section 56 positions.	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Thembisile Hani local municipality, relates to the other spheres of government and organised local government bodies through the intergovernmental policy framework, communities as an interest group in municipal affairs, participates through public participation mechanisms and processes in the decision making system of council.

2.3 INTERGOVERNMENTAL RELATIONS

The constitution (1996) states that '*government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated*' (section 40(1)). The '*distinctive*' element refers to the autonomy enjoyed by the spheres; that is, the degree to which each sphere is the final decision-maker on a particular matter that falls within its area of competence.

the creation by the constitution of this decentralised governance system, which comprised the three distinct but inter-related spheres of government, also gave rise to the need for a systematic system of igr to give effect to the principles of cooperative government.

To realise these principles, the igrf act was promulgated on 15 august 2005. The act provides for an institutional framework for the three spheres of government to facilitate coherent government, effective provision of service, monitoring implementation of policy and legislation, and realization of developmental goals of government as a whole.
In spelling out the principles of cooperative government and igr, the constitution binds all spheres of government and organs of state in each sphere of government to three basic principles:

(i) **A common loyalty to the republic as a whole.** This means that all spheres are committed to secure the well-being of the people of the republic and, to that end, must provide effective, transparent, accountable and coherent government for the republic as a whole. This is the object of cooperative government.

(ii) **The distinctiveness of the spheres should be respected.** A sphere must remain within its constitutional mandate, and when exercising those powers, must not do so in a manner that encroaches on the geographical, functional or institutional integrity of another sphere, except where specifically directed otherwise.

(iii) **The spheres of government must take concrete steps to realize cooperative government** by –
   a) fostering friendly relations;
   b) assisting and supporting one another;
   c) informing one another of, and consulting one another on, matters of common interest;
   d) coordinating their actions and legislation with one another;
   e) Adhering to agreed procedures; and avoiding legal proceedings against one another.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The executive mayor and the municipal manager represent and participate in the premiers coordinating committee, where issues affecting the province and the municipalities are discussed. The speaker and officials in the office of the speaker attends and participate in the provincial speaker's forum, provincial ward committee forum and the provincial anti-corruption forum.

There are expanded public works programme projects in progress for cleaning the environment that will be registered as projects at the department of public works. Furthermore the department of environmental affair appointed 270 pews and department of corporative governance and traditional affairs appointed 60 epwps for clearing illegal dumping sites.

Chapter 2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Elected councillors and officials represent the thembisile hani local municipality in neighbouring municipalities such as nkangala district municipality, where issues of mutual interest such as the IDP and budget are discussed and implemented.

Nkangala district municipality provide support to Thembisile Hani local municipality internal audit by appointing service provider to assist the internal audit unit implement six (4) project from its plan on the following:

- financial management audit
- asset management audit
- project management unit
- environmental management audit

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

the introduction of public participation office has become a catalyst in ensuring that izimbizo and outreach meetings are meaningful to communities. this office has been strategically introduced to ensure that izimbizo's and outreaches constitute a communication approach that will underpin participatory democracy. The office is also central to governance as it brings government closer to the people. It is ffurther to ensure that izimbizo's and outreaches remain a unique platform for communities to raise issues, share views and build strategic partnerships between the municipality and its constituencies.

Thembisile Hani local municipality has established ward committees as a mechanism for public accountability and public participation. The ward committees assist ward councillors in the execution of their duties, which includes the handling of complaints and feedback to communities. Provincial government has also provided community development workers to the municipality, to assist with the dissemination of information and the mobilisation of communities in government programmes.

Ward councillors convene community meetings on a monthly basis to discuss matters affecting the community and give feedback on matters reported on a monthly basis. The executive mayor undertakes a mayoral outreach programme which provides a platform for further interaction and engagement with the communities on regular intervals.

2.4 PUBLIC MEETINGS

The executive mayor led consultative meetings in all wards during the months of October to December 2016 as part of the strategy for ensuring adequate public participation in the preparation for the compilation of the IDP and budget review for the 2017/2018 financial year. The community consultative meetings were followed by the idp/budget indaba during May 2017. The meeting was attended by all councillors, ward committee members, community development workers, political organisations, tribal authorities, sector departments and other interested community representatives.

The municipal systems act provides for municipalities to establish structured mechanisms for public participation in order to ensure community participation in all the affairs of the municipality. The act stipulates that the municipality must develop and adopt a community communication strategy/plan. The strategy should serve as the guiding tool on how the community is engaged to give their inputs and suggestions on services, projects and programmes offered by the municipality. In order to comply with the municipal systems act, Thembisile Hani municipality will have to develop a revised public participation policy/strategy in the coming financial year.

Chapter 2

The municipality like any local government has a three legged structure, which is integrated and interdependent. The legs of the municipality are the council, administration and the community. The cohesion of these parts underpins a successful developmental local government.

The municipality needs a formal consultation, participation and communication policy/strategy, special attention with regard to the development of the policy/strategy are the following:

- Continuation the mayoral outreach programme, which affords local leaders the opportunity to interact with communities on issues of service delivery.
- Continued engagement of sector departments and utilities in the various processes and forums for integrated development planning (IDP).
- utilisation of the various mechanisms to communicate, such as local newspapers, local radio stations, flyers, ward councillors, community development workers, ward committees, account statements and loud hailing.
- Ongoing negotiations with provincial departments that no project will be implemented in the municipal area of jurisdiction prior to consultation with the council.
- Ongoing bi or multi-lateral processes around a number of developmental challenges and initiatives such as the youth agriculture and the Moloto rail corridor.

The local government municipal systems states that "a municipality through appropriate mechanisms, processes and procedures established in terms of chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicator and performance targets for the municipality". thus the municipality has held its idp indaba in may 2017 to ensure that communities are afforded the opportunity to set the performance target for the municipality. in attendance among others were:-

- Councillors
- Community Development Workers
- Ward Committees
- Traditional Leadership
- Traditional Health Practitioners (Thp)
- Interfaith Organisation
- Business Forums
- Religion Formations
- Progressive Youth Structures
- Community Based Care Structures
- Government Departments

ASSESSMENT OF COMMUNITY NEEDS

The municipality has collected the following community needs during the 2015/2016 financial year to inform the 2016/2017: IDP

Ward	Issues
traditional leaders	enquiring and complaining about new areas that are recently being developed and having project starting in new other areas complaining about land invasion and requesting the municipality to interfere requesting water and electricity at vezubuhle (the whole of vezubuhle) complaining about ward 7 cemeteries not being fenced requesting a satellite office for service fee payment at luthuli requesting a storm water control complaining about water meters. some residence don't have them at tweefontein k

	requesting and complaining about road to cemeteries to be re-gravelled. complaining about road re-gravelling requesting re-gravelling of roads at luthuli requesting recreational facilities at luthuli requesting a community hall for pensioners requesting a researcher to research in the community and report back to the traditional leaders requesting high mast lights at the cemeteries complaining and requesting road gravelling at mountain view
ward 1	• *requesting a satellite office at ward 1* • *requesting a high mast light at main road block 7 centre babazon* • *requesting water supply and street lights at babazon* • *complaining and requesting water and a community hall* • complaining about high mast lights being few at moloto north • requesting tap water in the ward • complaining about not having water at block d • complaining about the waste collecting truck not collecting along every street • requesting a satellite office where the community will go and pay their services • requesting a school at Moloto north • complaining about incomplete projects around Moloto north • requesting electricity, the whole block of section d.d • requesting bus roads at block d.d • complaining about their rdp houses not being issued in a formal manner
ward 2	• *requesting electricity supply at Moloto north* • requesting a tap water • complaining about not having water at block d • complaining about septic tanks , some of them being broken, some leaking • complaining about the waste collecting truck not collecting every street • requesting a satellite office where the community will go and pay their services • complaining about incomplete projects around moloto north • requesting electricity, the whole block of section d.d • complaining about road bus. they are incomplete • requesting bus roads at block d.d • complaining about their rdp houses not being issued to them in a formal way. • requesting a school
ward 3	• *requesting water , high mast lights inside where he is residing* • *requesting roads to be re-gravelled* • *requesting a satellite office* • *requesting tarring of internal roads at block 5* • *complaining and requesting re-gravelling of internal roads at block 5 Moloto* • complaining about payment of flat rate. • requesting water meters and roads at Moloto • requesting a rdp houses • requesting street lights at block 5 ward 3 • requesting water (the whole of block 5 near the garage at ward 3 Moloto south) • requesting a community hall and a library • requesting yellow bins • requesting a rdp house • requesting a tar road at Moloto block 5 • complaining about water tank not delivering to every house • requesting roads and a primary school at moloto south • requesting that all the valves be monitored and maintained • requesting high mast lights at block 5 • requesting a community hall at Moloto • requesting a road to cemeteries of Moloto

ward 4	• *requesting water supply at leratong* • *complaining about un-improvement at leratong* • *requesting a bridge between luthuli and ward 4* • requesting a rdp house • requesting bus routes at zakheni • requesting a bridge at zakheni • requesting a primary school at zakheni ext • complaining about holding a meeting during a week • requesting the main road of zakheni to be completed • requesting that projects done around zakheni be monitored. • requesting a rdp house • complaining about a hole that was left after a bridge was built at zakheni • requesting water • complaining about zakheni residence misusing water
ward 5	• *requesting houses at Thembalethu* • *requesting a storm water control* • complaining about the positioning of high mast lights • complaining about un-energised high mast light • requesting three high mast lights at Thembalethu outline • requesting the flat rate(water) to be decreased to r40-50 • requesting a community hall at Thembalethu • requesting a post office and a community hall for next year • requesting water • requesting a high mast light at Thembalethu outline • lack of service delivery at Thembalethu • roads not being properly gravelled • complaining about unemployment • extension of the tar road (clinic) • extension of high mast lights • requesting storm water drainage to control water that is damaging tar road • complaining about roads that need to be constructed
ward 6	• *complaining about a stream of water that requires a bridge to be build.* • *requesting fixing of road via phola park community hall* • *complaining about a bridge that over flows when it's raining at jordan* • *complaining and requesting electricity* • *requesting a high mast light at the main road of phola park* • complaining about a dam, and requesting a storm water • requesting a high mast light next to sizamile primary school • requesting recreational facilities (sports ground) at phola park ext. • requesting a bridge. next to/close to ziphakamiseni • requesting electricity at new stands and a rdp house • requesting a clinic at phola park
ward 7	• *requesting a tarred road at mathysensloop* • *requesting re-gravelling at mathysensloop stadium* • *requesting a tarred road ward 7 mabhala street* • *requesting a borehole at madala stand* • *requesting water reticulation the whole of madala portion* • *requesting recreational facilities* • *requesting a borehole at mathysensloop* • *requesting a borehole* • *requesting fixing of road via phola park community hall* • *complaining about a bridge that over flows when it's raining at jordan*

	• *complaining and requesting electricity* • requesting a high mast light at the main road of phola park • complaining about the cemetery issue(entrance fee) • requesting the municipality to work hand in hand with the traditional leaders • requesting a storm water control at Boekenhouthoek • complaining about not having water at mhlamunyene, the whole section. • complaining about receiving un-hygienic water from the water • requesting a high mast light at boekenhouthoek, close to ruben • requesting a special school (hearing and low iq) for disabled candidates • requesting the municipality to assist the local candidates with a Saturday school (extra classes) • requesting a storm water control/ storm water drainage • requesting a high mast light at ruben boekenhouthoek • requesting high mast lights to be maintained and energised • complaining about incomplete projects (roads at chilli entrance boekenhouthoek
ward 8	• *requesting electricity ,water and tarred road at ward 08* • *requesting a clinic / mobile clinic at langkloof* • *requesting street lights at langkloof* • *requesting water at langkloof* • *requesting pot holes to be covered at langkloof* • *requesting a solar system at ward 08* • *requesting meter readers and requesting each and every house hold to have a tank* • *requesting electricity at ward 8* • *requesting network at ward 8* • *requesting recreational facilities* • requesting water at doorfontein • requesting re-gravelling of roads at farm water • requesting electricity at farm water • requesting roads/re-gravelling of roads at thabakhubedu • requesting a pumping machine to operate kwa-jiyane • requesting a solar power/boreholes • requesting rdp houses • request the tar road in internal roads • request the bridge in a bus road • request the dust bin for waste collection • request the apollo • request water reticulation • request skill centre • request extension of tar road • request the satellite office for payment of services • request the grave yard to be fenced • request primary & secondary school • request job opportunities • request chairs for community hall • request sports field to be graded
ward 9	• *requesting a tap inside where she is residing* • *requesting a rdp house* • *requesting a community clinic at tweefontein j* • *complaining about Thembisile Hani municipality not assisting in arts and culture* • *requesting tarred and tweefontein j* • *complaining about tweefontein j not being included in the coming budget for financial year of 2014/2015* • *requesting water reticulation at Sheldon, the whole of Sheldon* • *requesting water supply on all important areas like clinics and police stations.* • *complaining about leakages and not being attended when they are being reported* • requesting a community hall for senior citizen • requesting all high mast lights to be energised at buhlebuzile • requesting a multi- purpose centre for the residence

	• roads to einel 2 experience some water leakage. • community member is concerned about water leakages • requesting a multi-purpose centre • requesting toilets • in need of a municipal satellite office so that they can pay their services easily • road maintenance • requesting php houses • requesting a primary school at zenzele • complaining about crime • complaining about unemployment and their advising the municipality to employ local people in local projects.
ward 10	• *complaining about projects not being allocated to ward 15* • *requesting a sports ground at skhahla ward 10* • *requesting a public transport for primary school students* • *requesting a storm water control at ward 10* • *complaining and requesting a bridge* • *enquiring about the solar system request-when are they getting* • *requesting toilets at ward 10* • complaining about the waste tank not collecting/ entering each and every street • complaining about rural residents not getting water • complaining about the water tank not servicing all the residents • complaining about not being told the correct service fee rate • complaining about taps that are leaking • complaining about other residents receiving free services • requesting a rdp houses • requesting a storm water control at Mzimuhle • requesting that all high mast lights be energies • requesting more high mast lights at Mzimuhle • requesting a storm water control at Mzimuhle • requesting a VIP toilets • requesting a notice board (where all public notices will be pasted) • requesting a free public transport for kids to be transported to school • complaining about the municipality not intervening in sports and arts affairs. • requesting a waste truck to collect all the waste being dumped by surrounding residents of mzimuhle • requesting a giant yellow waste bin at mzimuhle • complaining about a storm water that is being blocked by sand at mzimuhle • complaining about a disaster house. a complain was laid but up until now, it wasn't attended
ward 11	• *complaining about high mass lights that were supposed to be 24 but they are 10 and they are un-energised* • *complaining about a bore hole that was build inside someone's house hold* • *requesting a community hall at ward 11* • *requesting a storm water at Verena c* • *sports facilities are being requested at ward 11* • *requesting regravelling at " new stands "* • *requesting storm water control* • *requesting a satellite office at Verena.* • *requesting indigent forms to be* • *requesting jojo tanks, filled with water each and every resident of Verena* • *requesting bore holes at Verena d* • *enquiring about electricity on when is it going to be installed at Verena c* • *requesting bore holes at block d and block c.* • *requesting flashing toilets at Verena d and c* • *requesting a primary and high school (institution)* • *complaining about pot holes at Verena d main tarred road* • *requesting speed humps at Verena four way (main road)* • request water tap • request electricity

	• support the payment of services • complain about the pampers that are all over the village • request the meter box of electricity • cost for services • request centre of hiv& aids • request the support from the municipality regarding hiv/aids activities • request access to public transport via Mpumalanga road which is known as Witbank road. • request the road regravelling • request the mayor to look after indigent families • request food parcel • request job opportunity • request road regravelling • request rdp houses • request job opportunities • request sewerage toilet • request the extension of high mast light • request to be in a list of indigent • request water reticulation
ward 12	• *complaining and requesting tarred road at "dk" tweefontein c and water network* • community complaining about youth unemployment • crime • water leakage and wasting water • no taps in his stand and his paying municipal service • lake of service delivery (municipality) • unemployment (no contract but permanent jobs by the residents) • nepotism • requesting spots facilities • high rate of crime • unemployment • requesting for industrial area for job creation • shortage of water • unemployment • complaining about water leakages. • no electricity
ward 13	• *requesting the municipality to install proper water pipes* • *requesting high mast lights at b2 to be energised all of them* • *requesting a storm water control and tarred* • *requesting a community hall at b2 and tweefontein k* • *requesting a clinic at ward 13* • *complaining about not having a title deed* • *requesting the cemeteries at ward 13 to be fenced* • complaining about a meter that is not operating in a proper manner • complaining about the waste truck not keeping/sticking to the time slot • complaining about not having a title deed • complaining about a high mast light that causes distraction • complaining about not having water • requesting sewerage toilet • requesting storm water • request the high mast light to maintained • request rdp house • request the community hall for pensioners • request storm water in a bus road • development of the community park • request the office of led to support cooperatives • request the collection of waste

	• request job opportunity • request php houses • request community hall • requesting electricity • requesting road regravelling • requesting the plastic & dustbin • request clinic • request outline road to be maintained • requesting clinic at outline of b2 • requesting water pipe to be maintained • requesting two pedestrian bridge next to sofuyile tweefontein b1& b2
ward 14	• *requesting a school (primary school)* • *requesting a tarred road at simunye street* • *requesting water at ward 14* • requesting re-gravelling • requesting a grader to dig at the cemeteries (free of charge) • requesting a mini-reservoir for next year • requesting a public-park at mountain view • requesting a community hall at mountain view • requesting a mobile clinic at mountain view • requesting a satellite office at mountain view • requesting electricity at mountain view zone 6 • complaining about a stream (river) across zone1 and zone 2 and requesting it to be fixed • requesting toilets (flashing ones) at mountain view • requesting water at mountain view zone 6
ward 15	• *requesting a tarred road at ward 15 (inside houses)* • *requesting the road at masese to be fixed. it has a lot of pot holes* • *complaining and requesting water reticulation at ward 15* • *requesting a high mast lights at ward 15 (outline)* • *complaining about projects not being allocated to ward 15* • complaining about cemetery fee. • requesting a community hall for the pensioners • requesting monitoring when it comes to local projects. • requesting a satellite office for service (fleet rate) fee payment • requesting flashing toilet • requesting rdp house • complaining about pot holes that where left after construction work • requesting a rdp house • complaining about high mast lights that are not energised around tweefontein • requesting a storm water control at tweefontein e • requesting roads at tweefontein e • requesting a clinic at tweefontein e • requesting a satellite office at tweefontein e • requesting street names at tweefontein e • requesting a rdp house.
ward 16	• *requesting a satellite office at Buhlebesizwe no:2* • *requesting re-gravelling of roads at ward 16* • *complaining and requesting jobs and job creation* • *complaining about projects not being allocated to section aa* • *requesting flushing toilets at section aa* • requesting a storm water control at Buhlebesizwe no:2 sun city location • requesting vip toilets at Buhlebesizwe no: 2 • requesting a honey sucker for the VIP toilets at Buhlebesizwe no: 2

	• complaining about the waste truck not collecting each and every street • complaining about the municipality not interfering in public transport issues • requesting recreational facilities/sports ground at Buhlebesizwe no:2 • requesting a community hall • requesting an office/centre to work at/ do her projects • complaining about title deeds. they must be fixed first before residents pay their services • requesting regravelling of extra sand that was left after construction work at rdp open space Buhlebesizwe no:2 • requesting electricity around rdp ext new stand • complaining about being side lined in terms of corporative projects • complaining about rdp houses that are not well build at rdp Buhlebesizwe • complaining about storm water control that are not well build at Buhlebesizwe no:2 rdp • requesting electricity and water at Buhlebesizwe no:2
ward 17	• *requesting electricity network at ward 17, extension.* • *requesting a high school and a primary at ward 17* • *requesting a storm water control at Milliva rdp* • complaining about not getting water. • complaining about water meters that are leaking inside • complaining about a bridge (to be extended)this issue was reported last year but it was un-attended • requesting a storm water control • requesting a geyser and a stove. • requesting an apollo's tweefontein n • complaining about incomplete road • requesting roads at tweefontein n • requesting a sports facilities • requesting a tertiary (high institution) • requesting a satellite office at tweefontein f • requesting Nkangala district to assist in job creation • requesting electricity at tweefontein f • requesting a satellite office at tweefontein f for fleet rate payment and other service payment • complaining about un-energised apollo's • requesting taps at tweefontein f • requesting a satellite office at tweefontein f • requesting recreational facilities (sports ground) • requesting ground to be re-gravelled • complaining about the road at 1st stop tweefontein f all the apollos there, they are not energised • complaining about un-energised lights at tweefontein f • requesting a community hall for pensioners or a tent for min-while • requesting a bridge at tweefontein f • complaining about not having a post box/ not receiving his mail • requesting a shopping complex at tweefontein f • requesting street humps at tweefontein f
ward 18	• *requesting a storm water control that will lead water to gandi* • *requesting re-gravelling at ward 18. the whole of it* • *requesting water reticulation at thokoza/requesting thokoza to be included in the next financial year projects concerning water* • *complaining /requesting about electricity at thokoza* • requesting a storm water control at simunye street • complaining about not having water at thokoza • requesting a community hall at thokoza • requesting road signs that indicate the location (thokoza) • requesting re-graveling of roads at thokoza • requesting high mast lights to be energised • requesting roads at ghanda street , thokoza • requesting water at thokoza ext.

	• requesting storm water control at thokoza ext. • requesting a tap where he is residing at the given address • requesting a rdp house • requesting water at thokoza where his old age centre is residing (he owns an old age centre) • requesting re-gravelling of street at new stands, thokoza • requesting a youth centre • requesting a storm water control • requesting maintenance at thokoza, all roads • requesting sports grounds to be re-gravelled at thokoza • requesting job opportunities
ward 19	• *requesting a storm water control at sun city c* • *requesting a school at ward 19 and water* • *requesting water at sun city a and a tarred road to the clinic and a storm water* • *requesting tarring of internal roads* • *complaining about a bridge that needs to be fixed. reason being it over-flows and residents can't walk* • *requesting boreholes at sun city d* • requesting high mast lights at sun city a.a • requesting roads at a.a • requesting water • requesting water the whole of sun city a.a • requesting water and a community hall • requesting a satellite office for service payment around sun city a.a • requesting an internship programme from agriculture to accommodate all the un-employed youth. • requesting a jojo tank • requesting street names at sun city a.a • requesting a community hall • requesting a clinic • requesting recreational facilities • requesting a satellite office at sun city a.a • requesting street lights to be monitored and maintained at sun city a.a • requesting water at sun city a.a • requesting pedestrian tar roads and pedestrian bridge • requesting speed humps at moloto road near sun city a.a • requesting re-gravelling of roads at sun city a, b,c and a.a • requesting a community hall at sun city • requesting recreational facilities
ward 20	• *requesting a pavement, community hall and toilets at ward 22* • *requesting dongs to be closed after any construction has been done.* • *complaining and requesting electricity at sun city aa and vezubuhle* • *requesting a high school at sun- city aa* • *requesting internal streets to be named* • requesting that cemeteries be re-gravelled at sun city a.a next to an open space • requesting a satellite office to pay services fleet rate • requesting roads at sun city a.a • requesting roads at sun city a.a and may they be made solid • requesting/complaining about not having water. the whole of nyabela street
ward 21	• *enquiring about Vlaklaagte number 1 on why it's not included on 2014 projects?* • *requesting an rdp house.* • *requesting a community hall and requesting it at ward 21* • *requesting high mast lights to be energised at ward 21* • requesting a clinic • requesting a hall • requesting electricity • enquiring about the rdp houses

ward 22	• *requesting tarred to be fixed including pot holes* • *requesting inspectors to come from human settlement and inspect those rdp houses* • *requesting a community hall* • *at maboko, they are requesting a bus for primary and secondary students. they are also requesting water.* • *complaining about un-energised high mast lights at ward 21* • *requesting more rdp houses at ward 21* • *requesting tarring of internal roads at msholozi* • *requesting high mast lights at msholozi* • requesting roads at cemeteries • requesting a public parking at the cemeteries • requesting a no parking sign at the cemeteries • requesting more street lights at Mandela • complaining about water (not getting water , the whole of section 10 at Mandela) • complaining about livestock that is loitering around • requesting a primary school at luthuli • requesting a community hall at mahlabathini • requesting a rdp house • requesting a taps • requesting a clinic that will accommodate mahlathini, luthuliand msholozi • complaining about luthuli being side lined when it comes to other project like storm water control and roads • requesting re-gravelling of roads at luthuli • requesting roads and bus routes at luthuli • requesting street signs • complaining about electricity at luthuli • requesting re-gravelling at luthuli • requesting storm water control at luthuli
ward 23	• *requesting a rdp house* • *complaining about not receiving service delivery from the local municipality* • *requesting sports/playground at phumula a1, a2, b1 and c1* • *requesting the municipality to set an appointment with Eskom for the community (something like imbizo)* • *requesting toilets at a1 phumula* • *requesting high mast lights at a1 phumula* • *requesting tarred at section a1* • *requesting a storm water control at phumula.* • *requesting high mast lights to be energised at phumula* • *requesting a community hall at phumula* • requesting a community hall at phumula • requesting a platform for the community of phumula where they are going to state their issues • requesting a shopping centre for the phumula community • requesting fencing at the cemeteries of phumula • requesting an office where he can do his hiv/aids programme for the community • requesting a community clinic (not a mobile one) for the community of phumula • requesting toilets at phumula • requesting electricity
ward 24	• *requesting water and bore holes at machipe* • *requesting speed humps at main street of machipe* • *requesting water supply at machipe* • *requesting a storm water control at machipe* • requesting high mast lights to be energised at machipe • requesting the municipality to assist with corporative • requesting a storm water control • requesting that after construction , the holes that are left be closed • requesting a community clinic at Bundu • requesting a storm water control at Boekenhouthoek kwa- jane • requesting a high mast light at Boekenhouthoek, close to Ruben • requesting that the municipality must not issue previous statements from previous years • requesting a special school (hearing and low iq) for disabled candidates

	• requesting the municipality to assist the local candidates with a Saturday school (extra classes) • requesting a storm water control/ storm water drainage • requesting a high mast light at Ruben Boekenhouthoek • requesting a high mast lights at Boekenhouthoek. the whole of boekenothoek • requesting high mast lights to be maintained and energised
ward 25	• *requesting a storm water control at wad 25* • enquiring about the pavement (the street is incomplete, the street to masombuka emaqwetheni) • requesting that the grader be used on weekends to fladder the spots grounds. • enquiring about the feedback report how its being draft
ward 26	• *complaining about a stream river and requesting a bridge or storm water control* • *requesting a sports ground* • *complaining about people who haven't received their rdp houses even though they were on the list* • *complaining about incomplete bus routes at thembalethu that are not complete* • *requesting high mast light (6) at mzimuhle (four way stop at the main entrance)* • *requesting a pavement in ward 9* • requesting a satellite office for service fee payment at luthuli • amakhosi are complaining about not being invited in some of the meetings • requesting a storm water control for next year • requesting a researcher to research in the community and report back to the traditional leaders • requesting high mast lights at the cemeteries • requesting toilets (flashing ones) at kwagga c • requesting a high mast light at kwagga c next to mphephulo • complaining about the shortage of water around kwagga c • requesting flashing toilets at kwagga c • requesting the municipality to assist in job creation • complaining about unemployment rate around thembisile. (its high) • requesting a rdp house • requesting flashing toilets • complaining about electricity and requesting it at kwaggafointein c •
ward 27	• request water , high mass lights and roads maintenance • request tar roads • do not want the vip toilets but flushing toilets • skills development centre • roads maintenance • street lights/high mast light • disaster management to assist families that need houses • request for electricity • palesa mine uses thlm water but not charged • request community hall • asbestos pipe changed to pvc plastic pipes • completion of water reticulation • regravelling of internal roads
ward 28	• *complaining about not being notified as a ward committee member* • *requesting an appointed contractor to be punctual and work on a time frame* • requesting the municipality to communicate with the community • requesting storm water control • requesting a jojo tank • requesting water meter all the residence of bhundu • requesting roads • requesting a high mast light next to spar kwagga a • requesting a community park

	• requesting assistance from the municipality to assist him with his corporative • requesting a storm water control at ward 28 • requesting a special school for low iq/disabled candidates around kwagga a • requesting an rdp house • requesting a community hall/temporally tent • complaining about potholes at the cemeteries of kwagga a • requesting re-gravelling/ maintenance of the roads outlined roads at kwagga a • requesting speed humps from sifikile to r573
ward 29	• php houses completion in ward 29 • mobile clinic introduction and the schedule of dates be given by the department of health • installation of street lights or high mast light in crime spot areas • request community hall • sports grounds development in ward 29 • request businesses sites to be released when they apply • meter box for electricity installation • completion of the vip toilets in ward 29 • job opportunities for the youth • park or recreational facilities in the form of multipurpose functions • darla to clarified the land issue especially farm in ward 29 • by-law on land requisition in ward 29 • asbestos pipe changed to pvc plastic pipes • regravelling of internal roads
ward 30	• *enquiring about water, when would this problem be solved and requesting a satellite office* • *complaining about incomplete tarred/roads at tweefontein j closed to the high school* • *requesting a toilet* • *requesting a storm water control* • municipality to do feasibility study before building rdp houses to avoid the issue of wetland • in need of vip toilet • in need of storm water drainage to control water that damage houses • they complaining about water from dam stream that are destroying the tire road and cemetery • highmast light are not operating • in need of apollo's • proper inspection was not done well when rdp houses were built • in need of community hall • request extension of highmast light and repair those that are there
ward 31	• *complaining about un-energised high mast lights* • *requesting storm water control at ward 31* • *requesting water supply at section d (entabeni)* • *requesting our road to be tarred at kwaggafontein d* • requesting the municipality to assist with home based care (khomani home base care) • requesting storm water control and roads at kwagga d • complaining about un-energised high mast lights around kwagga d • requesting road and electricity • requesting a rdp house • requesting a high mast light at kwagga d • requesting speed humps at d-line • requesting recreational facilities at kwagga d • requesting a community hall at kwagga d • requesting that the agenda/report be written in isindebele • requesting re-gravelling • requesting re-gravelling of roads next to the dum/farm • requesting temporally tents mine while her rdp house is still being build • requesting a jojo tank where he is located. he owns a little farm • requesting assistant from the municipality to assist her with a disability school and senior citizen school • requesting a tlb (re-gravelling)

ward 32	• *requesting that, all the requested needs be implemented* • *requesting a bus-waiting room* • *complaining about the shopping centre at kwa-mhlanga cross roads. requesting it to be extended.* • complaining about not getting food parcels • complaining about poor service delivery • complaining about a meter that was inserted and it was leaking • complaining about a proof of residents that are being issued at the municipality. they are not permitted at other banks • complaining about being side-lined by the municipality in teams of food parcels • complaining about kwamhlanga not being clean • requesting maintenance in every infrastructure • requesting maintenance at thembisile show ground • complaining about pot holes at section c kwa-mhlanga

Chapter 2

WARD COMMITTEES

In terms of the municipal structures act, (act 117 of 1998) municipalities are required to establish ward committees to enhance community participation in municipal development processes. In compliance with this legislative requirement the municipality has established 32 ward committees which are functional. The ward committees have since their establishment added much value to municipal processes by providing inputs from a community perspective. They play a major role in the IDP process, both in terms of highlighting community priorities but also in maintaining constant communication between the council and the communities. A number of training opportunities were made available for ward committee members to augment their capacity. Proportional representative councillors are deployed in wards to strengthen participation and communication.

MAYORAL OUTREACH MEETINGS

The following mayoral outreach meetings were held during the 2016/2017 financial year.

Ward	Date	Day	Venue	Time	Villages/Stakeholders
All	19/10/2016	Wed	Thlm Municipal Council Chamber	09:00-12:00	Councillors, Ward Committee Secretaries And Cdw's
All	19/10/2016	Wed	Thlm Municipal Council Chamber	14:00-17:00	Business Forum
32	26/10/2016	Wed	Kwamhlanga Community Hall	17:00-19:00	Kwamhlanga A, B, C, D, Tetema (Known As Ndedema),Hokai, Bronkhorst Mine,
05	27/10/2016	Thur	Elukhanyisweni S.S. School	09:00-12:00	Thembalethu
09	01/11/2016	Tues	Sanco Office	10:00-12:00	Buhlebuzile, Belfast, Zenzele And Tweefontein J
17	01/11/2016	Tues	Zamani P School Sport Ground	14:00-16:00	Tweefontein F,Tweefontein N And Milliva Rdp
12	02/11/2016	Wed	Open Space Next To Msindwana Shop	10:00-12:00	Tweefontein C And Emanaleni
23	02/11/2016	Wed	Open Ground (Back Opposite To Thokozani Shop)	14:00-16:00	Phumula A1,A2, B1 And C1
27,28,29	15/11/2016	Tues	Kwaggafontein Spar Open Space	10:00-12:00	Kwaggafontein A
25	15/11/2016	Tues	Sindawonye Primary School Open Space	14:00-16:00	Kwaggafontein B
22	18/11/2016	Fri	Mandela Community Hall	14:00-16:00	Mandela, Luthuli & Mahlabathini
13	24/11/2016	Thu	Dutch Reform Church	17:00-19:00	Tweefontein K & Tweefontein B2
08 , 11	29/11/2016	Tues	Verena Community Hall	10:00-12:00	Farm Waterval,Rietfontein,Doorinek,Bly'n Bietjie,Verena A,B,C,D,Langkloof & Wolvenkop
26 , 31	29/11/2016	Tues	Kwaggafontein Community	14:00-	Kwaggafontein C,D,E And Dobha

			Hall	16:00	
01,02,03	30/11/2016	Wed	Moloto Old Age Centre	10:00-12:00	Moloto South, Moloto North, Mafushana,Rdp,
06	01/12/2016	Thu	Phola Park Community Hall	10:00-12:00	Phola Park A,B,C And Jordaan
24	07/12/2016	Wed	Bundu Machipe Open Space	09:00-12:00	Boekenhouthoek, Bundu And Machipe

Ward	Date	Day	Venue	Time	Villages/Stakeholders
All	04/04/2017	Tues	Municipal Council Chamber	09:00-12:00	Ward Committee Secretaries,Councillors And Cdw's
All	05/04/2017	Wed	Municipal Council Chamber	09:00-12:00	Traditional Leadership
All	05/04/2017	Wed	Municipal Council Chamber	14:00-16:00	Traditional Healers
All	06/04/2017	Thu	Municipal Council Chamber	14:00-16:00	Business Forum
07,11,12,13,16,21, 24,25,26,27,28,29,31	07/04/2017	Fri	Kwaggafontein A Spar Open Space	09:00-12:00	Cluster 01
10,16	07/04/2017	Fri	Mzimuhle Sport Ground	14:00-16:00	Mzimuhle And Buhlebesizwe 2
01, 02, & 03	11/04/2017	Tues	Moloto Old Age Centre	09:00-12:00	Cluster 02
04,06,14,19,20,22,32	11/04/2017	Tues	Kwamhlanga Testing Centre	14:00-16:00	Cluster 03
05,09,15,17,18,20,30	12/04/2017	Wed	Sakhile Sports Ground	09:00-12:00	Clustter 04
12,13,16,17,21,23	12/04/2017	Wed	Siphiwe Secondary Ground	14:00-16:00	Cluster 05
08,10,11	13/04/2017	Thur	Verena Community Hall	10:00-12:00	Cluster 06

Chapter 2

IDP PROCESS PLAN

IDP PHASES	ACTIVITIES	DATES
Pre-Planning Phase	Before starting the planning process, an idp process plan must be drawn up. This plan is meant to ensure the proper management of the integrated development planning process. The plan must be set out in writing, in terms of the legislation and must comply with the provisions of the district framework plan in terms of the binding national and provincial planning frameworks, mechanisms and processes stipulated in the framework plan of the district.	all municipalities must adopt their idp process plans by august 2015 subsequent to the adoption of the district framework plan by the 30 August 2016
Analysis Phase	During this phase information is collected on the existing conditions within the municipality. When assessing the existing level of development in the municipality, the level of access to basic services and those communities that do not have access to these services must be identified. Focus must be on the types of problems faced by community in the area and the causes of these problems. The identified problems are assessed and prioritized in terms of what is urgent and what needs to be done first. Information on availability of resources is also collected during this phase. Priority issues highlighted during the 2015/16 idp processes will also be revised and confirmed during this phase. Com-munity meetings, stakeholder meetings, surveys, opinion polls and researched information should form the basis of this phase.	this phase should be completed by 31 October 2016
Strategies Phase	Municipalities must begin to contemplate on the best possible strategies to tackle the identified challenges. critical in this process in order to ensure a focused analysis, the municipal vision must be confirmed and development objectives containing clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in the first phase be confirmed. Internal transformation needs, council's development priori-ties must be taken into account when formulating council objectives. This process should involve strategic workshops, targeted stakeholder engagements, public hearings, sector provincial and national department's engagements, social partners, interest-based groups and organized civil society. once the municipality has worked out where it wants to go	this phase should be completed by 30 November 2016
Projects Phase	During this phase the municipality works on the designs and content/specifications of projects identified during the prior phases. Clear details for each project have to be worked out. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual programmers and projects. The identified projects must have a direct link to the priority issues and objectives identified in the previous phase. Municipalities must ensure engagement of internal technical committees, possibly with selected key stakeholders. The needs and views of the affected communities must be taken as a priority. The project technical committees and their subcommittees must be able to distinguish between the strategic municipal wide development programmes and the localized community-level projects.	this phase should be completed by January 2017

Integration Phase	Thembisile Hani local municipality embarked on mayoral outreach programmer from September to November 2015 in all 32 wards. Once all projects have been identified, the municipality must confirm that the identified projects will achieve the desired impact in terms of addressing the identified challenges and are aligned with the objectives and strategies and comply with legislation. the identified programmes/projects will set the pace and direct the trajectory emanating from the overall picture of the development plans of all the stakeholders, including sector departments and social partners	by December 2015
Idp Indaba	amendment of idp according to comments	by April 2016
Approval Phase	submission of draft idp to council road show on public participation and publication submissions of idp to council for approval and adoption	by May 2016

Schedule of key dates

IDP Phase	Activity	IDP Steering committee	Mayoral IDP/Budget Steering Committee	Strategic Planning Workshop	IDP/Budget Indaba	Mayoral Comm. Sitting	Council Sitting	Community Meetings	Public Notice Date	Due date for Completion of Process
Preparation **01 July-30 August**	Preparation and Adoption of IDP Process Plan	19 July 2016	N/A	N/A	N/A	23 August 2016	30 August 2016	N/A	By 08 September 2016	30 August 2016
Analysis **01 August-30 October**	Preparation of IDP Analysis Report	24 October 2016	N/A	N/A	N/A	N/A	N/A	September-October 2016	N/A	31 October 2016
Strategies	Refinement of Objectives	07 Novemb	N/A	23/24 Novemb	N/A	N/A	N/A	N/A	N/A	30 Novembe

01-30 November	and Strategies	er 2016		er 2016						r 2016
Projects **01December- 30 January**	Project confirmation Budget/IDP steering committee meeting	23 January 2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30 January 2017
Integration **01-28 February**	Consultation with Sector Departments, Confirmation of budgets, Integration with Sector plans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28 February 2017
Approval **01- February to 30 April 2017**	Preparation of IDP/Budget for Council Approval	20 February 2017	N/A	N/A	N/A	23 March 2017	28 March 2017	04-12 April 2017	By14 April 2017	30 April 2017
Adoption of amendme	Publication of	17 April 2017	25 April 2017	N/A	10/11 May 2017	23 May	30 May	N/A	By 14 June	30 June 2017

nts to the IDP and Budget **30 May 2017**	Notices Final Approval of IDP and Budget					2017	2017		2017	

Summary

For the purpose of reviewing the IDP, the municipality conducted a series of public participation/ mayoral izimbizo meetings during the months of September, October and November, January, February and March to get inputs from communities regarding current service delivery issues and needs. The council consequently adopted its last 2016/2017 integrated development plan taking into account the needs that were collected at the aforementioned meetings.

according to the municipal systems act (32 of 2000) the *"municipality must within 14 days of the adoption of the idp give notice to the public of the adoption of the plan and that copies of the extracts from the plan are available for public inspection at specified places".* As such a notice was issued inviting communities to give inputs within a period of 21 days after publishing the notice. The municipality further dedicated the month of April 2015 for holding community consultation meetings in order to provide an opportunity for further inputs from community members, stakeholders and representatives.

Comment on the effectiveness of the public meetings held

Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Thembisile Hani on matters of service delivery.

2.5 IDP PARTICIPATION AND ALIGNMENT

idp participation and alignment criteria*	yes/no
Does the municipality have impact, outcome, input, output indicators?	yes
Does the idp have priorities, objectives, kpis, and development strategies?	yes
Does the idp have multi-year targets?	yes
Are the above aligned and can they calculate into a score?	yes
Does the budget align directly to the kips in the strategic plan?	yes
do the idp kpis align to the section 57 managers	yes
Do the idp kpis lead to functional area kpis as per the sdbip?	yes
do the idp kpis align with the provincial kpis on the 12 outcomes	yes
Were the indicators communicated to the public?	yes
Were the four quarter aligned reports submitted within stipulated time frames?	yes
* section 26 municipal systems act 2000	

COMPONENT D: CORPORATE GOVERNANCE

The scope of corporate governance includes the political, administrative, intergovernmental governance and public accountability and participation to ensure that the municipality is managed to the required desires of the community within the rules, processes and laws by which the municipality is operated, regulated and controlled.

The national and provincial outcomes for local government can be seen in **appendix n**

2.6 RISK MANAGEMENT, ANTI-CORRUPTION AND FRAUD

The municipality has established a functional risk management unit which is headed by Chief Risk Officer and it strive to maintain an effective, efficient and transparent system of risk management. These unit use the national treasury risk management framework as a guideline to discharge its day to day responsibilities and operations.
The following risk management related policies has been developed and approved by Council in order to intensify the effectiveness, efficiency and transparency systems of risk management within the municipality:

Risk management policy
Risk management strategy
Risk management methodology
Risk management charter
Whistle blowing policy
Gift policy

The municipality established a functional Risk Management Committee (RMC) which meets on quarterly basis and is chaired by an independent external person. The committee oversee the risk management related matters and ensures that risk assessments are conducted on annual basis, monitoring reports submitted on quarterly basis and risk management related policies are reviewed and approved by the appropriate structures. The RMC Chairperson further liaise with the Accounting Officer and submit the RMC report to Audit Committee on quarterly basis.

The Top 5 risks of the municipality are:

1. Inadequate revenue collection.
2. Inadequate fleet management.
3. Land invasion and encroachment.
4. Unwillingness to pay services by stakeholders.
5. Inadequate physical security management.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality strongly discourage the activities of theft, fraud and corruption internally and externally. The matters relating to corruption and fraud are advocated under risk management unit and audit committee by risk management committee and Chief Risk Officer.
Chief Risk Officer by-annually conducts anti- fraud and corruption awareness campaigns to educate both municipal staff members and honourable councillors about the risks relating to fraud and corruption.
During awareness campaigns stakeholders are encouraged to report any fraud and corrupt related matters and the whistle blowers may remain anonymous and will be protected.
The Anti-Fraud and Corruption Strategy, Fraud Prevention Plan, the Whistle Blowing Policy and Gift Policy has been developed and approved by council and these documents are aligned to the Prevention of Corrupt Activities Act (POCA) and Prevention and Combatting of Crime Activities Act (PRECCAA) the whistle blowing policy was developed in line with the protected disclosure act.
Risk Management unit, Internal Audit unit and Legal unit has a vital role to play in ensuring that the municipality become free from fraudulent and corrupt activities, by conducting preliminary investigations and special internal audit assignment on any fraud and corruption reported matters.
Part of the annual risk assessment report which developed was the fraud risk register. The register indicates all the possible risks which relates to fraud and corruption. The register is monitored on quarterly basis together with the operational and strategic risks and the report is escalated to council through audit committee.
Anyone found to have contravened any act or policy, by being involved in the activities of theft, fraud and corruption is subjected to the disciplinary committee.

CONCLUSION

For its success, the risk management framework describes its reliant upon gaining commitment from senior management and council, establishing the business processes, including assigning responsibilities for change, resourcing, communication, training and reinforcing a risk culture throughout the municipality.

The implementation of a risk management framework will enable the municipality to improve its management of risks, and drive performance, i.e. improvement of stakeholder value.

An effective risk management framework will enable senior management to understand the potential upside and downside of actions, and to understand the management of risk in order to raise the likelihood of issues while reducing the likelihood of failure and decrease the uncertainty of overall financial performance.

The risk management framework will assist the municipality to better allocate risk management resources, provide better performance indicators and monitoring opportunities and improve risk reporting throughout the municipality.

In addition, the framework will assist the municipality with identification of unidentified risks, and highlight control gaps and unnecessary and excessive controls, elimination of which will produce cost saving. Such a framework will necessarily present risk awareness throughout the municipality.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The scm policy of Thembisile Hani municipality was adopted by council and is reviewed every year together with the budget related policies. It is efficiently, effectively and transparently implemented and there are not visible failures on its implementation. There were also no material findings from the office of the Ag regarding the implementation of the policy and the scm processes. The emergency situation caused the user department to deviate on normal scm processes. To avoid recurrence of anomalies is to ensure service providers are appointed for as and when required basis on all service or good that were procurement through deviation. Furthermore procurement plans will be development on operational and capital projects.

Challenges	Impact	Measures To Improve Performance
deviations by user department	irregular expenditure	proper planning to avoid deviation

2.9 BY-LAWS

COMMENT ON BY-LAWS PERFORMANCE OVERALL

No by-laws were gazetted during 2016/2017 financial year

2.10 WEBSITES

Municipal Website: Content And Currency Of Material			
Documents Published On The Municipality's Website	**Yes /No**	**2015/2016**	**2016/2017**
current annual and adjustments budgets and all budget-related documents	yes	apr-16	Mar-17
all current budget-related policies	yes	jun-16	Jun-17
the previous annual report (2015/16)	yes	sep-15	Sep-16
the annual report 2015/16 published	yes	sep-15	Sep-16
all current performance agreements required in terms of section 57(1)(b) of the municipal systems act (2000) and resulting scorecards	yes	jun-16	Jun-17

all service delivery agreements	no	none	None
all long-term borrowing contracts	no	n/a	n/a
contract register	yes	jun-16	Jun-17
an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/17	yes	sep-15	none
public-private partnership agreements referred to in section 120 made in 2016/17	yes	none	none
all quarterly reports tabled in the council in terms of section 52 (d) during 2016/17	yes	jun-16	jun-17

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality has not conducted any public satisfaction survey. However the municipality has conducted public participation meetings as part of the mayoral outreach. These participation meetings to some extent were a mirror with which to gauge public satisfaction on the service provided by the municipality. These meetings serve to address some of the constraints and challenges the municipal council and communities face. About 28 mayoral outreach meetings were held during 2016/2017 financial year.

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Service delivery is in terms of the constitution of the republic of South Africa, schedule 4, part b determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the departmental objectives of the Thembisile Hani local municipality, certain issues are set out to be achieved during the financial year.

The following have been achieved during 2016/2017 as per community survey:

- provided 56 991 households with access to basic water
- provided 56 855 households with access to basic refuse removal
- provided 2287 households with access to basic sanitation (water borne system)
- provided 56 991 households with access to free basic water(6 kl)
- received a 79.44% blue drop for drinking water quality
- received an 25.68% green drop status for effluent water quality

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

BASIC SERVICE PROVISION	CHALLENGES
water	• lack of water storage in Kwamhlanga,bundu,Vriesgewagte,Tweefontein and moloto, • lack of own water source/need for purification plant • water losses • incosistence bulk water supply from city of Tshwane and Dr.Js Moroka • ageing infrastructure (asbestos pipes) • Theft of solar panel on boreholes
refuse removal	• shortage of staff • inadequate waste collection waste trucks • limited funding
sanitation	• huge sanitation backlog • limited funding for operation and maintenance • community of thembisile hani local municipality requires water borne sanitation system and not the VIP toilets anymore • lack of maintenance on VIP toilets • high risk rating on green drop
electricity for energising high mast light and maintenance	• lengthy Eskom process • limited funding and resources for own maintenance team
roads and storm-water drainage	• flooded gravel roads • limited funding for maintenance and construction of new roads • Limited resurces for internal maintenance for gravel roads • Storm water challenges through all wards • huge backlog on gravel (un paved)roads

Chapter 3

DEFINITION OF A HOUSEHOLD / HOUSING UNIT

Household: a *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling, but who do not share food or other essentials, were enumerated as separate households. For example, people who shared a dwelling, but who bought food and ate separately, were counted as separate households. Visitors, both foreign and south African, as well as boarders who stayed with a household on *census night*, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and so on), and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households. (Statistics: south Africa, census 2011)
Housing unit: it is a unit of accommodation for a household, which may consist of one structure, more than one structure, or part of a structure. Examples of each are a house, a group of rondavels, and a flat. In informal areas and overcrowded conditions a housing unit may hold more than one household.

DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land they have no legal claim to. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as a squatter settlement, slum or a shanty town. (Statistics: south Africa, census 2011).

3.1 WATER PROVISION

As Thembisile Hani municipality, we do not have our own source of water; we depend on other water service authorities for bulk water supply. Currently the supply of water to thlm from the two sources is very poor and inconsistence that:

Rand water is contracted to supply 30 Kls per day, and rand water is currently supplying 30 – 35 Kls per day.

Dr Js Moroka is contracted to supply 5 Kls per day currently when it does supply it is Kls per day in summer, and 3 Kls per day due to water losses and illegal connections in the system.

City of Tshwane is contracted to supply 16.6 Kls per day it currently when it does supply it is 6-9 Kls per day, however there is no consistence supply due to alleged frequent breakdown of their water treatment plant in Bronkhorstspruit. There are frequent long periods of breakages in their water treatment plant resulting in no supply sometime.

The demand for THLM is 74.1 Kls day. Currently THLM is getting a supply of 41 Kls day from external supply.The shortfall is 33.1 Kls /day.All 32 wards receive water on a rationed basis, in many instance only once per week. We are also supplying through water trucks in all 32 wards weekly.

Our own source is only boreholes which benefits 990 households connected to yard taps and 180 communal stand pipes. During the 2016 /17 financial year 8 boreholes were drilled and equipped .we had the challenge of theft on solar panels for 15 boreholes and this have resulted in the reduction of functional boreholes. We managed to restore 8 boreholes (2 xMoloto South ward 1 and 3,2 x Kwagga A,1x Kwagga B,1x Kwagga A and 2x Verena D) with wind mills out of the 15 vandalised boreholes. The project is a pilot.

The source project for Mosese river water supply (Bundu weir) is in implementation which aims to supplement the current supply with 5 Kls per day. Phase 1 of the project for the bulk pipeline and construction of the weir was completed in the 2016/17 and abstraction of 2.5 Kls l and treatment works will be done in the coming financial year (multiyear project)

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

DWS to fast track abstraction of 20 ml/ day from Loskop dam. Feasibility study has been completed and rand water has been appointed by the department of water and sanitation as the implementing agent on the project. Designs are in progress.

Feasibility study for rust de winter dam water scheme; implemented by rand water for western Highveld; scheme will increase bulk water supply for thlm by 10 ml/ day is underway.

The baseline information below was sourced from 2011 statistics

water service delivery levels		
	households	
description	2015/2016	2016/2017
	actual	actual
	no.	no.
water: **(above min level)**		
piped water inside dwelling	12 300	12 300
piped water inside yard (but not in dwelling)	73754	76902
using public tap (stand pipes)	0	0
other water supply (within 200m)	2 281	2 281
minimum service level and above sub-total	88 335	91 483
minimum service level and above percentage	96%	95.4%
water: **(below min level)**		
using public tap (more than 200m from dwelling)	1 051	1051
other water supply (more than 200m from dwelling	469	2281
no water supply	1 160	3459
below minimum service level sub-total	2 680	6791

below minimum service level percentage	231%	4.6%
total number of households*	75 600	109 282
* - to include informal settlements		

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

households - water service delivery levels below the minimum households		
description	2015/2016	2016/2017
	actual no.	actual no.
formal settlements		
total households	72 920	75635
households below minimum service level	2 680	3 459
proportion of households below minimum service level	4%	4.6%
informal settlements		
total households	2 680	3456
households ts below minimum service level	1 160	3456
proportion of households ts below minimum service level	43%	4.6%

The information below is as per the community survey.

water service delivery levels		
	households	
description	2015/2016	2016/2017
	actual no.	actual no.
water: (above min level)		

piped water inside dwelling	12 300	12 300
piped water inside yard (but not in dwelling)	73754	76902
using public tap (stand pipes)	0	0
other water supply (within 200m)	2 281	2 281
minimum service level and above sub-total	88 335	91 483
minimum service level and above percentage	93%	81%
water: **(below min level)**		
using public tap (more than 200m from dwelling)	1 051	1 051
other water supply (more than 200m from dwelling	466	33 469
no water supply	3 441	1 160
below minimum service level sub-total	4 958	35 680
below minimum service level percentage	144%	32.6%
total number of households*	75 600	109 282
*** - to include informal settlements**		

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

Households - Water Service Delivery Levels Below The Minimum Households		
Description	2015/2016	2016/2017
	Actual No.	Actual No.
Formal Settlements		
Total Households	70 542	88 335
Households Below Minimum Service Level	5 058	35 680
Proportion Of Households Below Minimum Service Level	7%	32.6%
Informal Settlements		
Total Households	5 058	35 680
Households Ts Below Minimum Service Level	3 441	990
Proportion Of Households Ts Below Minimum Service Level	68%	2.7%

EMPLOYMENT INFORMATION

Employees: Water Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 To 6	1	1	0	1	100%
7 To 9	13	13	12	1	7.6%
10 To11	17	15	15	0	0%
13 To 15	48	40	38	2	5%
Total	80	72	66	4	5.6%

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

majority of communities within the municipality use pit toilets, 25% of the communities have vip (ventilated improved pit) toilets, 4% have septic tanks and only 4% have water borne system. since 2011/12 the communities have rejected the vip toilets and prefer the water borne system, and the current backlog still remains at 75%. areas making 4% are: kwamhlanga serviced by 3 x 0.5 ml/day oxidation ponds and tweefontein k by 0.75 ml/day waste water treatment works.

during the 2016/17 tweefontein k waste water treatment works was upgraded with 0.75 ml/d which then make it to a total capacity of 1.5 ml/day. preliminary designs for luthile waste treatment works for 13ml/d for various villages within thembisile to eradicate the backlog which is huge on sanitation was conducted during the 2015/16/17 financial year. this a 20 year plan.

MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved in voicing their needs to the municipal officials and councillors. The sections providing service is aimed at ensuring proper rendering of sanitation services while preventing environmental pollution caused by poor sanitation services

OVERALL PERFORMANCE COMMENT ON SANITATION

through the wsig during 2016/17 the municipality have done refurbishment of oxidation ponds and improving operations and maintenance at tweefontein k waste water treatment works which aims at improving green drop score (emergency dam and chlorination system) and improvement of waste water quality. the municipality's green drop score is still based on 2011 results which is 25.68% and for 2014/2015 assessment are not yet done by department of water and sanitation, the municipality is still waiting for the dates to conduct the baseline information below was sourced from 2011 statistics

sanitation service delivery levels		
household		
description	2015/2016	2016/2017
	outcome	outcome
	no.	no.
sanitation/sewerage: (above minimum level)		
flush toilet (connected to sewerage)	3 024	3 024
flush toilet (with septic tank)	3 686	3940
chemical toilet	880	880
pit toilet (ventilated)	15 942	15 942
other toilet provisions (above min.service level)	0	0
minimum service level and above sub-total	23 532	23 532
minimum service level and above percentage	31.1%	31.1%
sanitation/sewerage: (below minimum level)		
bucket toilet	0	0

other toilet provisions (below min.service level)	50 109	50 109
no toilet provisions	1 959	1 959
below minimum service level sub-total	52 068	52 068
below minimum service level percentage	68.9%	68.9%
total households	75 600	75 600
***total number of households including informal settlements**		

households - sanitation service delivery levels below the minimum		
households		
2016/2017	2015/2016 actual no.	2016/2017 actual
formal settlements		
total households	23 532	23 532
households below minimum service level	50 109	50 109
proportion of households below minimum service level	213%	213%
informal settlements		
total households	1 959	1 959
households ts below minimum service level	1 959	1 959
proportion of households ts below minimum service level	100%	100%

The information below is as per the community survey.

sanitation service delivery levels		
household		
description	2015/2016 outcome no.	2016/2017 outcome no.
sanitation/sewerage: **(above minimum level)**		
flush toilet (connected to sewerage)	4 371	4 371
flush toilet (with septic tank)	4 371	4 371
chemical toilet	880	880
pit toilet (ventilated)	27 321	27 321
other toilet provisions (above min.service level)	0	0
minimum service level and above sub-total	36 943	36 943
minimum service level and above percentage	33.8%	33.8%

sanitation/sewerage: (below minimum level)		
bucket toilet	0	0
other toilet provisions (below min.service level)	72 339	72 339
no toilet provisions	1 959	1 959
below minimum service level sub-total	74 298	74 298
below minimum service level percentage	67.9%	67.9%
total number of households	109 282	109 282

households - sanitation service delivery levels below the minimum households		
2016/17	2015/2016 actual no.	2016/2017 actual
formal settlements		
total households	23 532	36 943
households below minimum service level	50 109	74 298
proportion of households below minimum service level	213%	49.7%
informal settlements		
total households	1 959	1 959
households ts below minimum service level	1 959	1 959
proportion of households ts below minimum service level	100%	100%

EMPLOYMENT INFORMATION

Employees: Sanitation Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	7	7	7	0	0%
13 - 15	20	16	12	4	33%
Total	31	27	27	0	0%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2015/2016 AND 2016/2017 WATER AND SANITATION SERVICES

NOTE: water and sanitation using vote number 560

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICTY

thembisile hani local municipality has no license for electricity on household connection and eskom provides electricity at household level.The municipality have reduced backlog on Electricity To 7.7% (STATS SA) and Eskom will electrify 2359 ouseholds by end of 2016/17 financial year. The municipality is installing and maintaining high mast lights and street lights. the challenges faced in 2016/2017 were due to limited funding to install high mast lights, street lights and energising of lights . the municipality have a total number of 290 high mast lights and 432 street lights.

the municipality used the idp processes to identify communities living in poverty and sourced funding from government through established programmes to respond to the need for basic services by the communities that are living in poverty.

EMPLOYMENT INFORMATION

Employees: Engineering Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	2	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12		0			
13 - 15	0	0	0	0	0
Total	0	0	2	0	0%
Totals Should Equate To Those Included In The Chapter 4 Total Employee Schedule. Employees And Posts Numbers Are As At 30 June. *Posts Must Be Established And Funded In The Approved Budget Or Adjustments Budget. Full-Time Equivalents Are Calculated By Taking The Total Number Of Working Days Lost (Excluding Weekends And Public Holidays) While A Post Remains Vacant And Adding Together All Such Days Lost By All Posts Within The Same Set (E.G. 'Senior Management') Then Dividing That Total By 250 To Give The Number Of Posts Equivalent To The Accumulated Days.					

FINANCIAL PERFORMANCE EXPENDITURE FOR 2015/2016 AND 2016/2017 FINANCIAL YEAR: ELECTRICITY SERVICE

VOTE	DETAILS	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
530	INTEGRATED ELECTRIFICATION GR				
530	SALARIES	547 914	316 917	471 002	353 272
530	BONUS	123 091	38 555	39 250	24 013
530	SALGBC	870	196	306	369
530	PENSION CONTRIBUTIONS	311 618	60 155	84 780	67 607
530	MEDICAL AID CONTRIBUTION	0	0	10 767	2 528
530	HOUSING SUBSIDIES	0	0	0	0
530	UIF CONTRIBUTION	14 771	3 409	6 363	6 317
530	OVERTIME	0	0	0	0
530	CELLPHONE ALLOWANCE	14 400	6 000	9 600	0
530	REP & MAINTENANCE-STREETLIGHTS	0	0	0	0
530	FREE BASIC ELECTRICITY	3 034 169	3 011 856	3 319 381	2 720 961
530	SKILLS DEVELOPMENT LEVY	14 771	3 425	4 710	4 051
530	MATERIALS AND SUPPLIES	300 000	200 271	800 000	797 490
530	TRAVEL ALL	0	0	15 016	22 093
530	EPENDITURE ON GRANTS INKID	38 703 000	38 703 000	46 374 000	46 374 000

COMMENTS ON THE PERFORMANCE OF ELECTRICAL AND MECHANICAL ENGINEERING OVERALL

The electricity unit consist of only two artisan which makes it difficult for turnaround time on maintenance. There are 7 trainee student and two assistance of general workers to assist the unit temporarily, while we are looking at options on the organogram to adopt the well-established maintenance team for electrical unit during the coming financial years depending on the financial status of the municipality.

3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES)

INTRODUCTION TO WASTE MANAGEMENT

The waste management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani local municipality.
Description of the activity:-

- refuse removal
- street cleansing
- clearing of illegal dumping sites

Solid Waste Service Delivery Levels				
	Households			
Description	2013/2014	2014/2015	2015/2016	2016/2017
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: **(Minimum Level)**				
Removed At Least Forthnight	73387	66495	111595	109 282
Total Number Of Households	73387	66495	111595	109 282

Municipal Integrated Waste Management Plan

The primary objective of compiling an IWMP is to integrate and optimise waste management so that the efficiency of the waste management system is maximised, and the impacts and financial costs associated with waste management are minimised, thereby improving the quality of life of all South Africans.

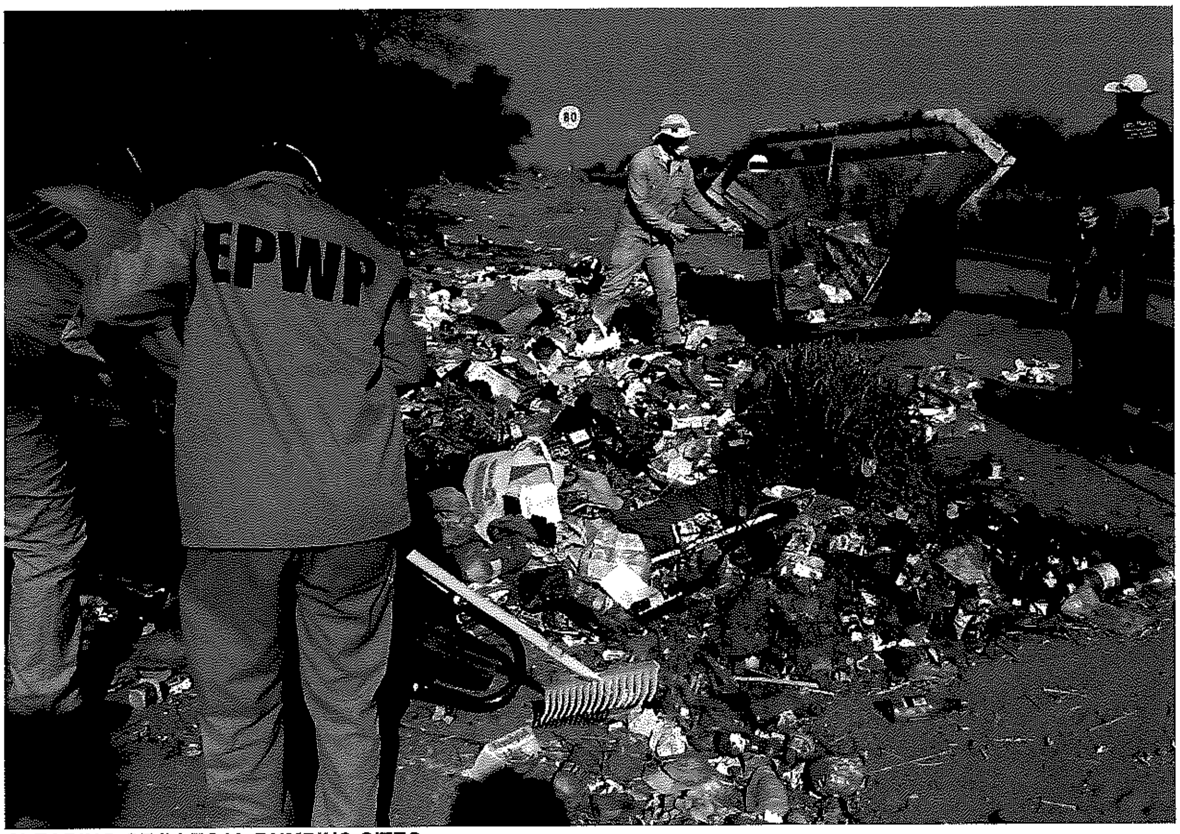
The objective of the status quo, or gap analysis, as the first phase in the development of an IWMP for THLM, is to qualify and quantify all aspects related to current waste management services and practices carried out by the municipality, with a view to using this information as a basis for future waste management planning. The report therefore includes a situational analysis of the various themes of solid waste management relevant to THLM e.g. the areas serviced, the waste management services rendered, their efficiency, cost effectiveness, social and environmental acceptability, etc. Specific objectives of the gap analysis phase, as outlined in the terms of reference for the project.



RREFUSE REMOVAL



STREET CLEANING



CLEARING OF ILLEGAL DUMPING SITES

EMPLOYEE INFORMATION

1					
0 0 18	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
9	1	1	1	0	0%
28	0	1	0	1	100%
1	0	1	0	0	0%
0	18	16	16	0	0%
0	9	02	02	0	0%
18	28	20	19	1	05%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR 2015/16 AND 2016/17 FINANCIAL YEAR: WASTE MANAGEMENT

VOTE	DETAILS	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
520	SALARIES	4 101 736	3 562 443	3 664 840	3 459 973
520	BONUS	296 728	285 046	305 403	288 412
520	SALGBC	1 913	1 863	2 142	1 843
520	PENSION CONTRIBUTIONS	712 813	673 391	722 699	651 340
520	MEDICAL AID CONTRIBUTION	242 620	207 116	284 850	256 849
520	HOUSING SUBSIDIES	0	0	0	0
520	UIF CONTRIBUTION	34 776	34 847	34 636	34 614
520	OVERTIME	0	0	0	0
520	CELLPHONE ALLOWANCE	23 400	23 400	23 400	23 400
520	REP & MAINTENANCE-STREETLIGHTS	0	6 000	0	0
520	SKILLS DEVELOPMENT LEVY	40 722	39 883	39 706	38 941
520	TRAVEL ALLOWANCE	60 000	60 000	60 000	60 000
520	PROVISION FOR LAND FILLSITE	100 000	-3 336 544	500 000	1 021 542
520	EPWP	3 117 000	3 117 000	2 244 000	2 244 000

COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

There are Expanded Public Works Programme projects in progress for cleaning the environment that will be registered as projects at the Department of Public Works. 108 workers were appointed under this programme in 2016/17 financial year.

3.5 HOUSING

INTRODUCTION TO HUMAN SETTLEMENTS

To accelerate housing delivery through efficient and effective management and quality service delivery as well as through integrated and collective sustainable housing programmes. Our priority is to eradicate informal settlements and give our communities a dignity they deserve as contained in the constitution of the republic of South Africa.

Percentage Of Households With Access To Basic Housing					
Year End	Total Households (Including In Formal And Informal Settlements)	Households In Formal Settlements	Percentage Of Hhs In Formal Settlements	Households In Informal Settlements	Percentage Of Hhs In Informal Settlements
2011/12	90000	75345	90%	14655	60%
2012/13	92500	75345	90%	17155	60%
2013/14	102500	75345	90%	27155	60%
2014/15	109600	75345	90%	34255	60%

EMPLOYEE INFORMATION

Employees: Human settlement Services (excluding town planning)					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

COMMENTS ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The Thembisile Hani Local Municipality had no 150 rural subsidy housing projects allocated on the IDP in 2016/2017 financial year. The housing project was implemented by the Provincial Department of Human Settlements. The Municipality perform the function to register housing needs register, identify and allocate beneficiaries for housing subsidies. 2017/2018 the municipality received 600 allocation for two financial years.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

- The council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the constitution as well as other services which may be delegated by national and provincial government.
- Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. a portion of this income (equitable share) is earmarked for indigent relief which will be used to alleviate and address poverty
- The municipality gives 6kl in respect of water to all our residential clients and we do not have an approved indigent register wherein we can make projections with regard to spending, billing etc.
- there is a portion of money paid over to Eskom on behalf of our clients for the 50kw of electricity provided to each household

CHALLENGES:

- no indigent register in place

COMPONENT B: ROAD TRANSPORT

3.7 ROADS AND STORM WATER

The municipal road network which serves as feeder roads to national road known as Moloto road r573, forms the backbone of our transportation system, making it possible to access both personal and economic needs within its jurisdiction and to meet the mobility and socio-economic needs of the communities. As the responsible roads authority for the construction and operations maintenance of the municipal road network, Thembisile Hani local municipality has ensured that its strategic planning processes are in line with the municipal acts e.g. Dora, which provide guidance to the allocated funds within the municipalities. Therefore the municipality achieved its road planning strategy by entirely depending on the allocated municipal infrastructure grants (mug) and its operational and maintenance funds. Major success in some villages of thlm, has been noticed through the work done by the municipal maintenance teams and by the district municipality. The challenges faced by the municipality during 2016/17 fee, was again insufficient budget on both construction and maintenance due to the reprioritization of budget to cater water projects, insufficient resources and collection of revenue. In order to improve performance, the municipality drafted a programme of action, and made sure that resources are utilized efficiently and effectively so. During this period, assistance was also received from Nkangala district municipality. Based on the information compiled by tirisano consulting engineering for rural roads assert management system (rrams) thlm comprises of 1893.7km unpaved, 249.2km paved and 15.4km interlocking block paved roads.

Gravel Road Infrastructure				
	Total Gravel Roads	**New Gravel Roads Constructed**	**Gravel Roads Upgraded To Tar**	**Gravel Roads Graded Or Maintained**
2014/2015	814	41.16km	4.05	46.8
2015/2016	967.37	88km	0km	2.2km
2016/2017	1893.7	43.1km	Okm	27.52km

Asphalted Road Infrastructure Kilometres					
	Total Asphalted Roads	New Asphalt Roads(Km)	Existing Asphalt Roads Re-Asphalted (Km)	Existing Asphalt Roads Re-Sheeted(Km)	Asphalt Roads Maintained (No.)
2014/2015	95.48km	4.05km	0km	0km	
2015/2016	95.48km	0km	0km	0km	12 Roads Maintained
2016/2017	249.2km	0km	0km	Okm	11roads Maintained

Roads Leading To Initiation School-Graded In 2016/17fy	
Township/Village	**Kilometres Of Roads Graded**
Verena Back And D	29.1km
Kwaggafontein A,B,C And D	37.9km
Gemsbokspruit	10km
Vlaklaagte No.1	21.2km
Vlaklaagte No.2	11.3km
Tweefontein N, F & Manaleni	29km
Sun City A	11km
Kwa-Mhlanga	2.5km
Vezubuhle	7.8km
Bundu	3km
Mathysensloop	4.2km
Boekenhouthoek	6km
Wolvenkop	6km

Paved roads done by Nkangala district on behalf of Thembisile Hani local municipality

(a) Milliva rdp 3.2km (b) Kwaggafontein d 2.5km (c) vezubuhle 2.6km (d) Kwamhlanga b 0.24km and (d) phola park 2.2km.

EMPLOYEE INFORMATION

Employees: Roads And Storm Water					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	27	28	27	1	4%
13 - 15	14	16	14	2	18%
Total	46	46	43	3	6.5%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2015/2016 AND 2016/2017: ROAD AND STORM WATER

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
550	SALARIES	8 031 287	7 340 318	7 438 464	6 675 009
550	BONUS	676 840	619 219	619 872	576 137
550	SLACK	4 872	4 408	4 794	3 963
550	ACTING ALLOWANCE	44 026	45 049	8 776	4 654
550	PENSION CONTRIBUTIONS	1 652 583	1 491 099	1 516 245	1 383 366
550	MEDICAL AID CONTRIBUTION	585 531	504 722	453 259	428 017
550	HOUSING SUBSIDIES	5 496	2 748	0	0
550	IF CONTRIBUTION	81 633	75 090	72 283	71 133
550	CELLPHONE ALLOWANCES	33 000	31 200	30 600	30 200
550	ROUTINE MAIN – ROADS & STORM	0	0	599 600	317 470
550	SKILLS	80 856	80 474	75 674	74 728

	DEVELOPMENT LEVY				
550	MATERIALS AND SUPPLIES	600 000	755 717	1 040 000	976 334
550	SUBSISTANCE ALL	0	3 326	0	15 335
550	MACHINERY AND EQUIPMENT	0	0	0	0
550	SEWERAGE	0	0	0	0

3.8 BUSINESS LICENCING AND ADMINISTRATION

INTRODUCTION TO LICENCING

The municipality administers and manages business operations within its jurisdiction – specifically in the following categories; sale or supply of meals or perishable foodstuffs, provision of certain types of health facilities or entertainment, and hawking in meals or perishable foodstuffs in terms of mpumalanga business act, no 2 of 1996.

Working Relationships

The environmental health practitioners under the department of health, acting on behalf of the district municipality, together with municipal staff perform environmental health inspections prior to issuing of licenses for purpose of compliance with standards for business buildings.

The municipality inspects applications for liquor licenses to comment on compliance issues related to land-use management and operating times.

COMMENT ON BUSINESS LICENCING AND ADMINISTRATION PERFORMANCE OVERALL

The municipality has approved street trading by-law during 2012/2013 financial year. 281 business trading licences were processed during the year under review.

EMPLOYEE INFORMATION

Employees: Business licesing and administration					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	0	100%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	100%

3.9 SAFETY AND SECURITY (TRAFFIC LAW ENFORCEMENT AND LICENCING)

INTRODUCTION

According to schedule 4 part b and schedule 5 part b of the constitution municipal public transport and traffic policing is the competency of the municipality.

A brief background of the municipal traffic

The Traffic department operates with 22 Traffic Officers – namely; 2 senior superintendents, 2 assistant superintendents, 2 superintendents, 16 traffic officers.

AARTO implementation

The roll out of the administrative adjudication of the road traffic offences act has been approved by the council under item number: the/ndc 37/08/2011.

Comment on safety and security performance overall

i) monthly joint security cluster plenary meetings:

The Traffic department attends Technical committee munimec, safety forum, Mpumalanga LETCOM.

ii) cash flow meetings :

The traffic department attends monthly meeting to ensure smooth running of cases at courts.

iii) joint police and traffic operations:

The traffic department does ongoing operations with other law enforcement agencies in the municipality.

EMPLOYEE INFORMATION

Employees: Safety and security					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	2	36%
7 - 9	4	4	4	4	50%
10 - 12	18	18	18	18	21%
13 - 15	0	0	0	0	0%
Total	22	22	22	22	100%

FINANCIAL PERFORMANCE EXPENDITURE 2015/2016 AND 2016/2017 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
108	SALARIES	8 521 222	8 300 850	8 746 808	8 463 130
108	BONUS	711 289	692 326	728 901	720 784
108	SALGBC	4 263	4 067	4 692	4 140
108	ACTING ALLOWANCE	0	0	0	3 751
108	OVERTIME	0	0	0	182 864
108	PENSION CONTRIBUTIONS	1 738 088	1 689 040	1 846 722	1 718 928
108	MEDICAL AID CONTRIBUTIONS	1 209 547	968 451	1 058 359	1 021 618

108	HOUSING SUBSIDIES	24 732	27 870	30 808	28 760
108	U I F CONTRIBUTIONS	85 355	79 260	86 794	78 701
108	CELLPHONE ALLOWANCES	6 000	13 800	28 800	21 600
108	OVERTIME	0	0	0	182 854
108	SKILLS DEVELOPMENT LEVY	85 355	95 016	100 386	99 757
108	SUBSISTANCE AND TRAVELLING	0	10 800	33 800	16 200
108	REPAIRS & MAINTENANCE	0	0	50 000	14 962
108	SECURITY	11 452 150	11 447 813	12 551 744	12 403 370

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING INCLUDING TOWN-PLANNING

INTRODUCTION TO PLANNING

Physical Planning	
Opportunities	Challenges
high proportion of land use management application	• Delays in turnaround time in terms of finalising applications.
availability of developable land within thlm	• Most of the land is vested to national and provincial governments. • Land invasion is perpetuated allegedly by tribal formations.

SERVICE STATISTICS FOR PLANNING

Development planning and building control

EMPLOYEE INFORMATION

Employees: Town Planning Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	1	20%
7 - 9	5	5	5	5	60%
10 - 12	1	1	1	1	0%
13 - 15	0	0	0	0	20%
Total	7	7	7	7	100%

COMMENT ON TOWN PLANNING PERFORMANCE OVERALL

Nkangala district municipality has appointed Sisonke development planners to facilitate a process of state land release on portion 1, 4 and 5 Vlaklaagte 221jr; other town planning activities are conducted in mahlabathini, vlaklaagteview, Gemsbokspruit ext.1, Gemsbokfontein 199jr, tweefontein f township, Kwaggafontein b and tweefontein a.

Department of rural development and land reform is currently assisting the municipality to develop land use by-law.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The performance by the LED Unit is 89% for the 2016/2017 financial year. Performance has improved by 22% from 67% in 2015/2016 financial year. The Unit also managed to re-establish Local Economic Development (LED) forum with five working groups (sub-committees. these are:

- transport and logistics
- smme`s and cooperatives development
- infrastructure and spatial development
- rural development, agriculture and tourism
- industrialization, mining and manufacturing

These working groups play a pivotal role in shaping the agenda of the larger forum and reports to council

LED STRATEGY

The Local Economic Development (LED) strategy has been redeveloped with the Nkangala District Municipality (NDM) assisting the unit with the development of the strategy. The draft strategy was presented to the LED forum for the members to understand it and make inputs in case they had. It is expected that the strategy will be a working document and will be improved from time to time as and when members feel so.

ESTABLISHMENT OF BUSINESS FORUM

Council took a decision to establish a business forum that will be an umbrella forum for all the forum within the municipality. This came as a result of the proliferation of forum within the municipal area resulting in a wide range of confusions and a disturbance of projects taking place within Thembisile Hani Local Municipality. An interim committee in this regard has been established to facilitate the establishment of sectors that will ultimately compose a broader forum. This interim committee is coordinated by the LED Unit. Much work in this regard has been done and a lot of sectors were established save for the manufacturers and transport that had not yet been established at the time of going to print.

COOPERATIVE AND SMMES DEVELOPMENT

The LED Unit arranged a number of trainings for the cooperatives and SMME`S. the unit invited and collaborated with a number of sector departments (DEDET, Department of Rural Development and Land Reform, Nkangala District Municipality and the South African National Roads Agency Limited (SANRAL) to train SMME`s and cooperatives . The SMME`s and Cooperatives were mainly trained in:

- Financial Management
- Business Management,

- Corporate Management &
- Business Start Up
- Entrepreneurial skills
- Managing Teams
- Pricing Construction Contracts and
- Documentation
- There was a huge improvement in this regard (training) so much that Thembisile Hani Local Municipality was the only LM in the province to be awarded a certificate at the provincial graduation of the participants (trainees) in this calendar year (2017).

OUTREACH MEETINGS

The unit hosted 2 outreach meetings for the outgone year (2016/2017). These are meetings held with communities using stakeholders with a variety of skills and expertise aimed at enlightening members of the community on a particular subject:

- Kwaggafontein community hall
- phola community hall

CREATION OF JOB OPPORTUNITIES THROUGH THE CAP

The led unit coordinated the creation of 1 451 up from 1320 job opportunities through community works programme (cwp) EPWP and inclusive of MRTT trainings.

JOBS CREATED

Description	Number Of Jobs Created	
	2015/2016	2016/17
Community Work Program	1271	1 251
Epwp	130	110
Mrtt	90	91
Total	1 320	1 452

EMPLOYMENT INFORMATION

Employees: Local Economic Development Services					
	2015/2016	2016/2017			
Job Level	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)

	No.	No.	No.	No.	%
3	1	3	3	0	0%
4 - 6	1	4	3	1	25%
7 - 9	1	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	3	7	6	1	14%

FINANCIAL PERFORMANCE EXPENDITURE 2015/2016 AND 2016/2017: LED (INCLUDE IDP AND PMS)

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
103	SALARIES	2 335 188	2 333 178	3 035 468	2 791 004
103	BONUS	149 531	194 546	252 956	232 678
103	SALGBC	435	696	1 020	829
103	ACTING ALLOWANCE	0	0	0	4 894
103	PENSION CONTRIBUTIONS	404 602	404 603	546 505	478 327
103	MEDICAL AID CONTRIBUTION	166 362	169 643	219 706	206 600
103	UIF CONTRIBUTION	16 130	14 277	17 850	16 062
103	CELLPHONE ALLOWANCES	18 000	18 000	22 800	18 000
103	TRAVEL ALLOWANCE	120 000	120 000	120 000	120 000
103	SUBSISTANCE ALLOWANCE	43 967	12 901	55 562	61 676
103	TOWN PLANNING	450 000	47 723	250 000	21 910
103	LED PLAN	42 166	33 051	50 000	0
103	IDP PROCESS	0	0	300 000	63 497
103	SKILLS LEVY	18 130	27 053	32 674	31 42

3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, AND OFFICE OF THE MUNICIPAL MANAGER)

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes orientated goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an on-going basis that gets used to improve service delivery and governance.

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

Currently the department comprises the following units:

IDP UNIT

Integrated development planning is a **process** through which municipalities prepare a strategic development plan which extends over a five-year period. The integrated development plan (IDP) is a **product** of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

in terms of the municipal systems act, 2000, (systems act) the chairperson of the executive committee or executive mayor or the chairperson of the committee of appointed councilors has the responsibility to manage the drafting of the idp or to assign this responsibility to the municipal manager. The municipal manager is responsible for the implementation and monitoring of the IDP process.

Thembisile Hani local municipality has an IDP unit, under the office of the municipal manager on its organizational structure. The key functions of the unit are as follows:

- providing inputs with regard to the development of the municipal vision and strategy
- Ensures implementation and the productive execution of the municipal vision.
- Compiling reports on divisional activities and progress in terms of action plans for consideration by municipal manager and council.

- Representing the municipality in multi-sectorial functions such as spatial planning, local economic development, infrastructure planning and development forums and functions.
- Participate and represent the municipality in the districts IDP technical committee.
- Representing the municipality in local, district and provincial public meetings and committees by making presentations, providing strategic inputs, communicating information in order to ensure participation.
- Manage administrative and organizational support for the coordination of IDP related activities.
- Preparing and communicating the process plan to ensure the understanding of the roles and responsibilities of all stakeholders.
- Manage development and review of the IDP and ensure the integration of the idp/pms/budget in terms of statutes.

Office structure

The IDP office is located within the office of the municipal manager. The following is a representation of positions in the IDP office as indicated on the 2015/16 organisational structure.

Level	Position	Status 2015/2016
3	Assistant Manager Idp	Filled
4	IDP Coordinator	Filled

COMMENT ON IDP PERFORMANCE OVERALL

OVERALL COMMENT

The IDP unit is understaffed and requires at least two coordinators to support the assistant manager. This further makes it difficult to adhere to set timeframes and complete the required phases on time. The municipality also has financial problems and cannot adequately provide for a budget aimed at the facilitation of stakeholder engagement meetings and workshops. There are also inadequate sector planning to support the various chapters of the IDP, this further frustrates priority setting and informed planning.

PERFORMANCE MANAGEMENT UNIT

The objective of performance management is to improve the performance of the municipality as guided by the local government: municipal systems act, 2000 (act 32 of 2000) (msa), local government: municipal planning and performance management regulations, 2001 and local government: municipal finance management act, 2003 (act 56 of 2003) (mfma). Performance management is the central management tool which assist the council to improve service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensure that the municipality achieves its strategic objectives.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. The pms will therefore ensure that all leaders, managers and individuals in the municipality is held accountable for their actions, which should bring about improved service delivery and value for money.

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COMMENT ON PMS PERFORMANCE OVERALL

the performance management unit (pms) consists of assistant manager reporting to the municipal manager and pms clerk which is transferred from dltc.assistance from hr unit with training for pms clerk is needed for easily adapting of the new placed. The unit is fully functional, all the 2016/2017 quarterly performance reports are in place and also audited by our internal audit unit. The 2016/2017 pms policy framework was adopted by council.

Internal Audit Unit

Internal audit is an independent function established within the municipality to examine and evaluate the municipality's activities. The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.

The objective of internal audit is to assist the accounting officer and the audit committee in the effective discharge of their responsibilities; internal audit will provide them with independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view of improving accountability and performance.

Internal audit responsibilities

Thlm internal audit unit draws its mandate from the mfma section 165, standards for the professional practice of internal auditing and the internal audit charter approved by the audit committee. We further make reference to king report on corporate governance (king iii) customized into local government environment.

Mfma section 165(2) states that the internal audit unit of a municipality must:

- prepare a risk-based audit plan and an internal audit program for each financial year;
- advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
  - internal audit;
  - internal controls;
  - accounting procedures and practices;
  - risk and risk management;
  - performance management;
  - loss control; and
  - compliance with this act, the annual division of revenue act and any other applicable legislation; and
- Perform such other duties as may be assigned to it by the accounting officer.

When executing its responsibilities, thlm internal audit unit follows the standards for the professional practice of internal auditing.

According to the institute of internal auditors ("iia") internal auditing is defined as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*

Chapter 3

EMPLOYEE INFORMATION

COUNCIL-APPROVED INTERNAL AUDIT UNIT STRUCTURE

Level	Post	2016/17
3	Chief Internal Auditor	Filled
4	Internal Auditor	Filled
4	Internal Auditor	Filled

COMMENT ON INTERNAL AUDIT PERFORMANCE OVERALL

Thlm internal audit unit performed its 2016/2017 operations as per the risk-based internal audit plan approved by the audit committee for the financial year. According to the plan, the unit had twenty (20) planned audits and with the support from Nkangala district municipality, all the audits were executed.

as required by the mfma, both the accounting officer and the audit committee were kept abreast of identified significant findings pertaining to internal controls; accounting procedures and practices; risk and risk management; performance management; loss control; and compliance with acts relevant to the municipality through submission of audit reports. Progress reports on implementation of the internal audit plan were also submitted.

COMMUNICATION

OBJECTIVE

The main objective of this unit is to ensure effective communication internally and externally. In order for the municipality to be able to realise our vision "to better the lives of our people through equitable and sustainable service delivery" we need to work together. It is the constitutional right for the community to know what is happening in their municipality this unit is there to close the gap between the municipality and its stakeholders by communicating municipal service delivery issues to the municipal stakeholders.

EMPLOYMENT INFORMATION

Level	Post	2016/17
3	Assistant Manager: Communication	Filled

COMMENT ON COMMUNICATION PERFORMANCE OVERALL

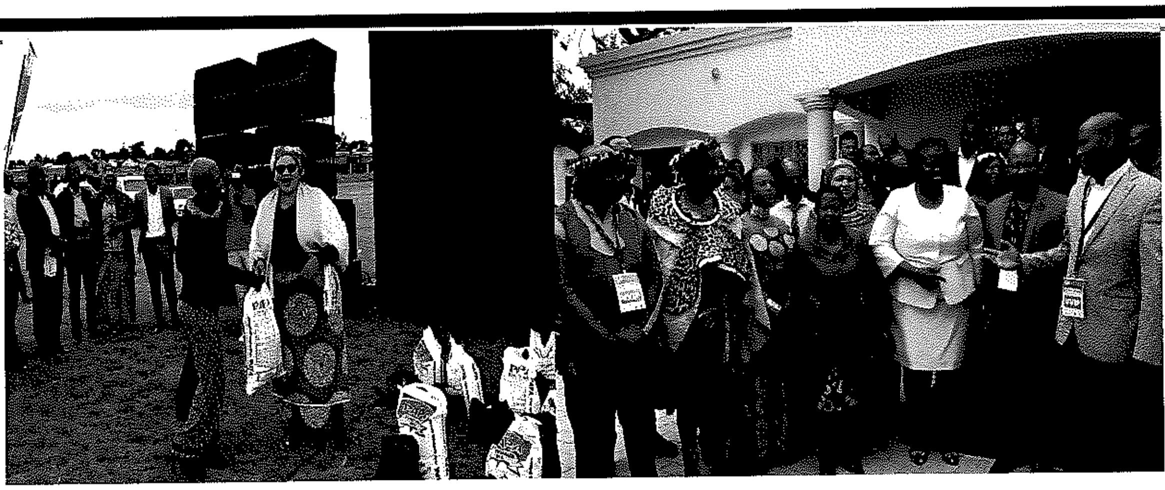
In our quest to ensure effective communication we have been frequently using radio slots at ikwekwezi FM to communicate service delivery issues, mainly water issues which have been a major challenge during this financial year. The municipality was reporting on progress through the executive mayor, municipal manager and the head of communication (hoc). In these slots the listeners who are residents of Thembisile Hani local municipality (thlm) were given an opportunity to ask questions to the municipal representatives with regards to service delivery issues in thlm. We also had constant interviews with mouse

Community radio station (mcrs), kangala community radio station (kcrs) and eyethu FM through the hoc updating the public about programmes of the municipality. The unit has been part of the planning teams for events organised by the municipality and those organized by other departments (provincial and national). The unit in the events is responsible for media mobilisation, drafting of communication strategy and plan for events, branding and any other logistics that require municipal interventions in the case of external events. The unit issue out public notices for the community on ikwekwezi FM, mcrs, kcrs, eyethu FM and on the municipal notice boards that are mounted in our municipal buildings. We issue out media statements when there are issues that need to be communicated or clarified by the municipality. We also get coverage from daily sun, the new age, Mpumalanga press and Thembisile news. We have also embarked on social media as it is currently growing as technology in advancing. Our Facebook page is active and it is updated as frequently as possible. We are currently also using a messaging portal to communicate with our stakeholders internally and externally, a tool which is proving to be very effective. The plan is to expand this messaging portal to a mini call Centre where we manage queries.

Below are some of the photos taken by the communication unit during event or activities that are held at the municipality?



Chapter 3



FINANCIAL PERFORMANCE EXPENDITURE FOR 2015/2016 AND 2016/2017: MUNICIPAL MANAGER'S OFFICE (INTERNAL AUDIT, RISK MANAGEMENT, YOUTH DEVELOPMENT AND OTHER UNITS)

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
102	SALARIES	7 263 619	7 419 533	8 228 681	8 076 547
102	BONUS	605 302	488 804	744 510	537 720
102	SALGBC	1 914	1 958	2 448	2 158
102	ACTING ALLOWANCE	3 111	3 111	16 332	20 232
102	PENSION CONTRIBUTIONS	913 559	903 576	1 037 494	944 314
102	MEDICAL AID CONTRIBUTIONS	451 595	444 237	525 949	559 142
102	U I F CONTRIBUTIONS	62 163	40 424	51 375	41 790
102	OVERTIME	62 278	0	124 555	142 103
102	TRAVEL ALLOWANCES	618 000	579 000	830 400	635 000
102	CELLPHONE ALLOWANCES	110 400	117 150	138 150	125 800
102	MEMBERSHIP FEES	3 350	4 058	8 000	4 545
102	SKILLS DEVELOPMENT LEVY	60 379	87 686	103 541	96 779
102	TRAVELLING AND SUBSISTANCE	115 000	189 692	294 389	317 092
102	ACCOMODATION AND MEALS	55 000	49 817	100 000	95 543

102	INTERNAL AUDIT SOFTWARE	100 000	88 117	0	0
102	PROVISION FOR LEAVE	5 630 223	1 142 898	3 748 599	117 664
102	MEDICAL ECTUARIES	0	0	3 000 000	0
102	PROVISION FOR BONUS	3 483 828	- 224 301	6 058 120	-1 517 157

COMMENT ON STRATEGIC PLANNING PERFORMANCE OVERALL

The department of municipal manager does not dispose over any capital projects and functions mainly focus on compliance with various acts and regulations.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This Component Includes: Libraries; Sports, Art & Culture, Community Halls; A Child Care; Aged Care; Social Programmes, Gender.

3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIUMS

INTRODUCTION TO LIBRARIES AND OTHERS

LIBRARIES

The municipal library services play a very important role in the work, education, and culture. The services that the libraries provide help people to carry out their work, studies and leisure time activities. Librarians assist anyone who needs assistance in finding information from books, encyclopedias, Encarta, pamphlets, periodicals and internet to meet their needs.

Community members take part in special programs and events in the library section, e.g., school projects, storytelling, reading clubs, etc.

Service Objectives	Service Targets	2013/14	2014/15	2015/16	2016/17
-Library Campaigns		-Heritage and Literacy Month (Thembisile Library & Phumula Library -World-Book Day (Phumula Library.	-Library Week at Verena -Mandela Day by Thembisile (Asakhane Creche)	-Literacy Campaign conducted (Lopspruit Library) -Library Week Campaign. conducted	-Library Marketing event at Phumula library -Library Week Campaign at Thembisile Library. -Youth Month Celebration at Boukenhouthoek Library.

Employees: Libraries, Archives;Community Facilities;Other					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	12	12	0	0%
13 - 15	0	35	35	3	6.25%
Total	3	51	51	3	5%

COMMENT ON LIBRARY SERVICES PERFORMANCE OVERALL

-Library marketing event was conducted at Verena, kwaggafontein and Phumula Library and youth month celeberation in bokebhouhoekon 2017.

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SOCIAL DEVELOPMENT SERVICES 2015/16 AND 2016/2017

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
107	SALARIES	3 212 553	3 100 818	3 334 708	3 550 141
107	BONUS	367 960	193 777	325 221	206 152
107	SALGBC	1 305	957	1 122	1 252
107	ACTING ALLOWANCE	70 000	58 255	90 000	59 073
107	PENSION CONTRIBUTIONS	600 826	511 410	562 912	578 396
107	MEDICAL AID CONTRIBUTIONS	222 042	202 078	226 288	211 039
107	U I F CONTRIBUTIONS	39 347	19 492	21 470	22 782
107	TRAVEL ALLOWANCES	264 000	264 000	264 000	252 000
107	CELLPHONE ALLOWANCES	48 000	37 800	43 200	36 200
107	SKILLS DEVELOPMENT LEVY	37 347	36 388	39 990	40 738

107	TRAVELLING AND SUBSISTANCE	67 785	25 649	100 000	64 778
107	REPAIRS AND MAINTENANCE OF CEMERTY	0	0	200 000	94 500
107	PAUPERS BURIAL	0	0	50 000	40 700

COMMENTS ON THE PERFORMANCE OF LIBRARIES, SPORTS AND OTHERS OVERALL

The municipality graded twenty five (12) sports field during 2016/2017 financial year. Bookings of facilities are on record for the hiring of these facilities

Several successful events were held:-

- library week

INTRODUCTION TO CEMETERIES & CREMATORIUMS

Currently the municipality has forty cemeteries are maintained around the jurisdiction. The community in the rest of the incorporated areas in the Thembisile Hani local municipality area utilise the cemeteries in the nearest vicinity. The service delivery priorities are to provide and maintain cemeteries, to continuously update and keeping record of cemetery registers now captured on electronic database, to plan and development of future cemeteries to ensure that sufficient space is available and to maintain and upgrading the existing equipment, system and procedures to ensure a quality service to the community. Epwp projects was introduced to number clean cemeteries and through that, local people were employed.

CREMATORIUMS

Crematoriums not applicable to Thembisile Hani local municipality.

There are no municipal entities rendering pollution control and bio diversity.

Chapter 3

3.14 HEALTH AND WELFARE

There is only one community hospital in the sub-region, Kwamhlanga hospital. There are six community health centres (chc) namely

- Kwaggafontein chc
- Buhlebesizwe chc
- Verena chc
- Moloto chc
- Thembalethu chc
- Kwamhlanga chc

There are fifteen clinics: namely

- Zithabiseni clinic
- Goederede clinic
- mzimuhle clinic
- Mathyzensloop clinic
- Kwaggafontein "a" clinic
- tweefontein "a" clinic
- tweefontein 'c' clinic
- tweefontein 'd' clinic
- tweefontein 'h' clinic
- veterinary clinic kwafene
- tweefontein 'm' clinic
- Empilweni clinic
- Kameelpoortnek clinic
- Kwamhlanga clinic
- Vriesgewacht clinic
- Vlaklaagte no.1 clinic

The municipality needs to strengthen the hiv/aids awareness campaign in its area of jurisdiction to minimise the infection rate. The high unemployment rate and the lack of skills creates poverty and increases the demand for social grants provision by government.

COMMENT ON HEALTH SERVICES PERFORMANCE OVERALL

The health service unit consist of one person who is coordinator, reporting to the manager social development service. The unit is fully functional. The municipality conducted dialogues, HIV counselling and testing (hot) campaigns and training to support and reduce the impact of the HIV/ aids on individuals, family community and society by expanding access to appropriate treatment, adhere care and support in accordance to nsp/ psp by 2012 -2016. The municipality conducted 5 hiv/aids related campaigns and 2 hiv/aids related training in 2015-16 financial year.

Cooperatives Support Progress

- the unit engages on assisting women and persons with disability to register cooperatives

National Women's Day Celebration

the national women's day celebration was held on 17 september 2014 at the council chamber.

Disability Day Celebration

The municipality conducted awareness on mainstreaming disability issues on the 24 October 2014 at Kwaggafontein hall

FINANCIAL PERFORMANCE 2015/16 AND 2016/17: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with libraries under vote 107: social development services.

COMPONENT E: HEALTH AND ENVIROMENTAL PROTECTION

3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING

Environmental health services continued to be provided without funding from national treasury. with a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the national health act, no. 61 of 2003 were carried out but not fully to ensure effective and efficient service delivery within the areas of thembisile.

The service delivery priorities focused on water quality monitoring, food quality and safety, health surveillance of premises and vector control. However the departmental of technical services was used for the monitoring of water quality.

COMMENT ON HEALTH INSPECTION AND ENVIROMENTAL HEALTH PERFORMANCE OVERALL

The municipal conducted (35) business inspections in (20) villages. Routine business inspections were conducted by the environmental health practitioner.

Employees: Health Inspection (Environmental Health)					
Job Level	2015/16	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	0	0%

POLLUTION CONTROL AND BIO DIVERSITY; LANDSCAPE

Pollution control, bio diversity and landscape are not applicable to Thembisile Hani local municipality

3.16 DISASTER MANAGEMENT

INTRODUCTION

The municipality has a disaster management plan and plays a role in mobilizing a multi sectorial presentation respond to fire and other disaster are in the municipality.

Strategies

- To ensure effective policing and access to emergency services.
- To promote inter-governmental relations.
- To develop disaster management plan.
- Development of risk management plan.

COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL

The municipality has two official dealing with disaster management, one seconded from public safety.

EMPLOYEE INFORMATION

Employees: disaster management					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	100%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	100%

Chapter 3

TRANSVERSAL

INTRODUCTION

The special programmes unit in the office of the manager sds, (which comprises four sub-programmes: issues on the status of women, issues on the status of persons with disability issues on the rights of a child and issues on elderly) is amongst others mandated to monitor and evaluate mainstreaming of gender equality and women empowerment, rights of persons with disability, elderly and rights of children into programmes of the municipality. The core functions of special programmes unit are: advocacy, capacity building, policy analysis, research, monitoring and evaluation.

Strategies

- Guide the municipality in developing appropriate programmes.
- Provide strategic interventions to facilitate gender policy implementation in the municipality.
- promote the integration of gender equity and equality, and women, persons with disability, elderly and children empowerment in the municipality development programmes and service delivery
- Raise awareness on the constitutional and development roles and responsibilities of municipal department stake holders as development agents.
- Alert stakeholders of the municipality about the gender implications of their work.
- contribute to the development of the performance systems by introducing gender-sensitive indicators

COMMENT ON TRANSVERSAL PERFORMANCE OVERALL

The municipality has two junior official dealing with special programmes.

EMPLOYEE INFORMATION

Employees: Transversal					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	0	60%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	40%
13 - 15	0	0	0	1	0%
Total	3	3	3	3	100%

Employees: Disaster Management				
Service Obiective	Outlive Service	Expediture	2015-2016	2016-2017
Awareness Campaign	25 dignitary packs distributed to albinism people and self-esteem was build amongst them	-	albinism awareness campaign june 2016	albinism awareness campaign march 2017
Awareness Campaign	children rights and responsibility were clearly explained to the kids	-	child protection week 05 june 2016	distribution of school uniform for 150 learners 31 may 2017
Seminar	150 disabled people attended the seminar	-	entrepreneur seminar for people with disability 22 october 2015	-
Awards Ceremonies	five women projects of thembisile won the wards and the overarll winner	-	women builders awards 27 august 2015	-
Mandela Day Celebration	100 pumpers donated to the centre, planting of vegetables, and cleaning of the centre	-	mandela day celebration 17 july 2015	mandela day celebration was held in loopspruit (winery)22 july 2016
Mandela Day Celebration	food security and groceries for the tholulwazi disability centre	-	mandela day 22 july 2015	mandela day was held 18 july 2016, paiting and installation of play ground mgwezani ecd centre, painting of thembelisha disability center
Mandela Day Celebration	5 old aged people benefited walking sticks and 6 disability people benefited wheel chairs	-	mandela day celebration 23 july 2015	mandela day celebration renovation, painting and distribution of 65 blankets at ekukhanyeni care

				for the age 18 july 2016
Job Readiness For People With Disability	registering people with disability in the data base of department of labour for employment	-		-
Source Donations For Orphans	clothing and toiletries were donated for orphans	-		-

FINANCIAL PERFORMANCE 2015/16 AND 2016/17: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with Libraries under Vote 107: social development services.

The municipality partnered with the seta in a learnership on wholesales and trading for 40 disable people on a twelve months programs

Chapter 3

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ict services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the constitution of the republic of South Africa states that the municipality comprise of councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes. Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address the service delivery matters the municipality must approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff and this can only be achieved through the costed organogram that must be cost effective but also provide sufficient managerial and other positions in order to be able to render effective and satisfactory delivery of services.

Management must ensure that tools of trade are made available to the staff. This will include ict services and networks including the necessary licenses. In order for the municipality to finance the service delivery issues it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. the payment for services will be covered by the payments for rates and taxes and will include proper and sufficient municipal service delivery networks like water pipes and reservoirs as well as sewer and electrical (street lights and high mast lights) networks and plant and equipment.

3.17 EXECUTIVE AND COUNCIL

This component includes: executive office (executive mayor; councilors; and public participation).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the constitution of the republic of South Africa, 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the Thembisile Hani local municipality is established as a municipality with a mayoral committee system which is combined with a ward participatory system in terms of chapter 12 of the municipal structures act, 117 of 1998. Section 152 of the constitution spells out categorically clear, the objectives of local government and the powers and functions of municipalities are determined in section 156 of the constitution.

The executive authority of the council is vested with the executive mayor who must however report to council and is assisted by the members of the mayoral committee established by the executive mayor and can take decision. However there are

certain matters on which the executive mayor as the head of the municipality cannot take decisions i.e. the approval of the budget, IDP and by-laws, as these matters cannot be delegated and must be approved by council.

In terms of delegation of powers certain matters may be delegated to the executive mayor by council who will in turn also sub-delegate to the municipal manager. The municipal manager may also sub-delegate to managers who may in turn further sub-delegate to other officials.
Section 152 of the constitution sets among others the following objectives for local government:

(a) To provide democratic and accountable government for local communities
(b) To ensure the provision of services to communities in a sustainable manner
(c) To promote social and economic development

In order to ensure sustainable service delivery to the community's council sets the top three service delivery priorities as follows in order to achieve good governance levels.

- Risk management: council has developed risk management strategy or policy that enables council to conduct risk assessment which has already been done. This exercise also enabled the council to develop a plan on internal controls to mitigate and control.
- Internal audit: council managed to establish the audit committee and it sits regularly assisting on assessing the reporting on management of risk and other matters relating to good governance.
- Accounting and auditing: council has established the audit committee which assists in reviewing the annual financial statements and also to monitor the effectiveness of the internal controls and risk management.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Detail	2015/2016		2016/2017	
	Ordinary Meetings	**Special Meetings**	**Special Meetings**	**Ordinary Meetings**
Mayoral Committee	06	06	03	10
Technical Service Committee	05	0	0	08
Sds Committee	0	0	01	06
Audit Committee	0	0	0	0
Led Committee	0	0	0	09
Finance Committee	0	0	0	06
Council Meeting	05	06	06	08

EMPLOYEE INFORMATION

Employees: The Executive And Council					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)

	No.	No.	No.	No.	%
0 - 3	6	9	9	0	0%
4 - 6	22	55	55	0	0%
7 - 9	0	0	0	0	0
10 - 12	36	0	0	0	0%
13 - 15	0	0	0	0	0
Total	64	64	64	0	0%

EXPENDITURE ON EXECUTIVE AND COUNCIL FOR 2014/2015 AND 2015/2016 FINANCIAL YEAR:

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
100	SALARIES	3 100 000	3 179 519	3 531 652	2 566 025
100	MOBILE DATA BUNDLES	0	0	234 194	231 411
100	PENSION CONTRIBUTIONS	2 091 899	2 084 339	2 193 633	2 152 584
100	MEDICAL AID CONTRIBUTIONS	400 564	331 500	382 340	321 409
100	TRAVEL ALLOWANCES	4 472 405	4 433 389	4 877 412	4 857 964
100	CELLPHONE ALLOWANCES	1 335 552	1 311 434	1 375 552	1 436 127
100	CLR ALLOWANCES	8 390 456	8 496 345	8 786 141	9 274 787
100	INFRASTRUCTURE DEPRECIATION	105 254 900	112 819 502.34	112 201 723	62 685 157
100	I DEPRECIATION COMMUNITY ASSETS	0	0	16 757 520	8 738 529
100	DEPRECIATION COMPUTER EQUIPMENT	0	0	1 675 752	849 170

100	DEPRECIATION FURNITURE & FIITINGS	0	0	1 117 168	403 438
100	INFRASTRUCTURE FURNITURE & FIITINGS	0	0	1 117 168	430 438
100	DEPRECIATION MOTOR VEHICLE	0	0	2 7920	6 893 540
100	DEPRECIATION BUILDING	0	0	4 021 805	1 961 473
100	I DEPRECIATION PLANT & EQUIPMENT	0	0	22 343 360	784 766
100	MEMBERSHIP FEES	1 142 237	1 144 852	1 441 500	1 330 634
100	SKILLS DEVELOPMENT LEVY	193 034	117 403	194 989	112 892
100	PROFIT/LOSS ON DISP OF ASSETS	0	0	0	912 722
100	PUBLIC PARTICIPATION	0	0	758 500	659 354
100	AUDIT COMMITTEES	5 060 000	4 452 776	143 219	139 373
100	ELECTRICITY AND WATER / MUNICIPAL SERVICE	5 575 780	5 974 797	7 698 584	6 766 698
100	PUBLIC & PHOTOGRAPH	0	0	307 967	307 119
100	TRAVELLING AND SUBSISTANCE	60 000	55 448	63 960	92 579
100	ACCOMODATION AND MEALS	160 000	151 612	466 734	457 317
100	TELECOMMUNICATIONS	1 015 184	1 701 892	1 606 642	1 224 432
100	INSURANCE	2 154 247	1 175 595	2 079 074	1 042 138
100	WARD COMMITTEES EXPENDITURE	4 300 000	3 754 000	3 190 000	2 533 000

100	AUDIT FEES	5 060 000	4 452 776	5 000 000	3 672 810
100	PROV FOR BAD DEBTS	58 685 065	163 634 327.27	158 677	183 855 325
100	VEHICLES	563 190	563 918	800 000	0
100	PROVISION BAD DEBTS TRAFFIC FINES	2 637 871	954 059	2 637 871	1 124 029

3.18 BUDGET AND TREASURY OFFICE

INTRODUCTION TO BUDGET AND TREASURY OFFICE

The department deals with the administration of finances of the municipality i.e. own budget as well as the money received from government fiscal i.e. allocation by government to the municipality to enhance service delivery as in mig and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes is being followed in order to ensure public participation to cover all community proposals in terms of projects.

The department must develop budget related policies and by-laws to govern consistently charging of moneys for services rendered to the communities. There will be internal and external audits in order to ensure management of risk and curbing corruption while encouraging the implementation of policies.

Debt Recovery R					
Details Of The Types Of Account Raised And Recovered	2015/2016		2016/2017		
	Actual For Accounts Billed In Year	Proportion Of Accounts Value Billed That Were Collected In The Year %	Billed In Year	Actual For Accounts Billed In Year	Proportion Of Accounts Value Billed That Were Collected %
Property Rates	32 671 147	57.67%	40 725 577	40 725 577	97.92
Water	77 045 085	159.13%	122 261 320	122 261 320	100
Sanitation	1 876 659	9.25%	2 293 008	2 293 008	100
Refuse	23 854 701	152.42%	30 417 021	30 417 021	100
Total	135 447 592	***96.77***	***195 696 926***	***195 969 926***	***99.68***

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The following problems were identified with regards to the below average collection rate and we have identified initiatives that will make a difference in the collection rate. One of the main is to make sure and educate community to pay municipal services.

Different strategies have to be put in place for regular defaulters as opposed to consumers defaulting occasionally:-

- Through awareness campaigns, consumers need to be made aware of the services provided by the council.
- we need to explain to the consumers why they have to pay for services
- political support
- issuing monthly statements to the consumer on regularly for payment of services
- the deposits of regular defaulters should be increased according to their liability profile
- implementation of credit control policy

EMPLOYEE INFORMATION

Employees: Financial Services					
Job Level	2015/16	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	5	5	5	0	0%
4 - 6	10	12	12	0	0%
7 - 9	1	1	1	0	0%
10 - 12	15	15	15	0	0%
13 - 15	3	3	3	0	0%
Total	34	36	36	0	0%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2015/2016 AND 20162017: FINANCIAL SERVICES

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	20162017 ACTUAL
104	SALARIES	8 306 906	7 836 496.52	9 245 039	8 632 067
104	INTERNS SALARIES-FMG	478 000	457 500.00	600 000	586 800
104	BONUS	669 236	2 322 472.55	859 562	1 048 224

104	SALGBC	2 871	3 016.00	3 570	3 640
104	ACTING ALLOWANCE	214 000	187 476.62	170 000	43 944
104	PENSION CONTRIBUTIONS	1 457 164	1 399 484.82	1 403 917	1 403 513
104	MEDICAL AID CONTRIBUTIONS	553 720	575 253.16	640 230	640 579
104	HOUSING SUBSIDIES	16 488	17 983.00	18 077	17 808
104	U I F CONTRIBUTIONS	69 079	69 079	58 883	67 567
104	OVERTIME	60 000	60 000	3 114	3 114
104	TRAVEL ALLOWANCES	300 000	300 000	510 000	498 000
104	CELLPHONE ALLOWANCES	69 079	69 079	60 000	60 000
104	VALUATION ROLL	526 000	526 000	100 000	0
104	PROFIT /LOSS: INVENTORY STANDS	0	0	0	209 933
104	BANK CHARGES	200 000	296 582	349 100	375 390
104	INTEREST CHARGES	0	0	0	3 611
104	SKILLS DEVELOPMENT LEVY	100 684	97 085	111 056	108 325
104	FMG EXPENDITURE	1 122 000	1 122 000	1 025 000	1 038 200
104	TRAVELLING AND SUBSISTANCE	76 198	70 519	153 788	142 640
104	MSIG	930 000	930 000	0	0

104	FINANCIAL STATEMENT	1 622 807	1 622 807	1 000 000	3 901 843
104	VAT RECOVERY	3 700 601	3 960 701	6 219 862	6 514 808
104	DEBT COLLECTION	0	0	0	1 668 396
104	YEAR-END ACCRUALS	0	0	24 005 936	21 819 277

3.19 HUMAN RESOURCE(CORPORATE) SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The municipality has submitted to the department of labour the employment equity report and return of earnings in terms of the employment equity act and the compensation for occupational injuries and disease act. Respectively the work skills plan is submitted to the local government seta and was also approved by the council.

The reprioritised critical posts to the 2016/2017 financial year were filled based on the organisational structure. All the HR policies were reviewed and adopted by council. . The municipality is has undertaken the organisational reengineering to ensure that the organisation is in alignment with the IDP and budget as well as to ensure that the employees job descriptions are aligned with these strategic documents

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last two years

The following table reflects the total personnel expenditure trends from 2015/2016 to 2016/2017

Financial Year	(R)
2015/2016	104 756 078
2016/2017	111 186 174

Pension Fund

The composition of membership for pension and provident funds was as follows

Pension Fund	Number Of Members	
	2015/2016	2016/2017
Municipal Gratuity Fund	9	17
National Fund For Municipal Workers	1	5
Joint Municipal Pension Fund	0	0
Sala Pension Fund 96 92	0	0

Municipal Councillors Pension Fund	63	64
Municipal Employees Pension Fund	389	359
Meshawu Pension Fund	0	0
Samwu Pension Fund	0	0
Gepf	6	2

Medical Aid Funds

The medical aid funds are accredited by the south African local government bargaining council (slack).the council 's actual expenditure for the 2016/2017 financial year towards the employer's contribution to total medical aid funds is **R 5 770 707**

Medical Aid Fund	2015/2016 Number Of Members	2016/2017 Number Of Members	2015/2016 Employer's Contribution (R)	2016/2017 Employer's Contribution (R)
Key Health	8	6	194 307	163 427
Hosmed	44	38	1 364 354	1 359 936
Bonitas	33	36	710 221	969 191
La Health	20	22	423 452	586 664
Samwu Med	167	160	2 612 466	2 691 489
Total	**272**	**262**	**5 304 800**	**5 770 707**

Outstanding Monies

Mfma circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors and section 56 managers:-

accounts in arrear as at present	arrears: jun-2016 (r)	arrears: jun-2017 (r)
councillors	106 286	327 980

Note: the full report is on annual financial statement

Disclosure concerning executive councillors and section 56 managers
The following table reflects the remuneration for executive councillors and **section 56 managers**:-

Designation	Remunerable(Package) (R)	
	2015/2016	2016/2017
Executive Council	5 099 030	5 188 590
Section 56 Managers	5 013 676	5 203 567
Part Time/ Section 79	14 910 348	16 430 059

Designation	Remuneration (Package) (R)	
	2015/2016	2016/2017
Executive Mayor	781 061	824 554
Speaker	629 647	670 401
Chief Whip	629 647	640 774
Mmc's	3 148 235	3 203 870
Municipal Manager	1 145 925	1 365 113

Manager Corporate Service	1 057 914	823 543
Manager Sds	1 057 914	1 126 003
Manager Technical Services	847 625	949 747
Cfo	709 056	926 367

EMPLOYEE INFORMATION

Employees: Human Resource Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	0	1	100%
4 - 6	6	6	6	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	8	8	7	1	13%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2015/2016 AND 2016/2017: CORPORATE SERVICES (HR, FLEET MANAGEMENT, ICT, LEGAL, LABOUR RELATION AND OTHER)

VOTE	DETAIL	2015/2016 BUDGET	2015/2016 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
106	SALARIES	9 078 674	9 207 455	10 530 597	9 720 106
106	BONUS	769 080	667 949	922 689	778 049
106	SALGBC	3 045	3 509	4 284	3 778
106	ACTING ALLOWANCE	40 958	40 212	99 806	95 700
106	PENSION CONTRIBUTIONS	1 683 078	1 696 651	1 896 583	1 788 137
106	MEDICAL AID CONTRIBUTIONS	637 852	674 744	794 235	696 902
106	HOUSING SUBSIDIES	22 236	26 583	36 154	35 616
106	U I F CONTRIBUTIONS	87 747	68 696	72 300	71 769
106	W C C CONTRIBUTIONS	600 000	0	1 080 000	2 085 443
106	OVERTIME	0	0	668 544	535 891
106	TRAVEL ALLOWANCES	331 488	317 500	451 488	210 000
106	CELLPHONE ALLOWANCES	65 700	67 200	69 600	59 700
106	HARDWARE REPAIRS & MAINTENANCE	596 578	429 995	426 400	322 276

106	VEHICLES	4 223 881	3 889 442	8 519 964	10 471 803
106	PRINTING AND STATIONERY	1 308 000	799 708	1 385 800	1 152 166
106	SKILLS DEVELOPMENT LEVY	87 747	112 676	115 932	111 821
106	ADVERTISMENT	0	0	386 143	342 152
106	FUEL	4 300 000	4 612 980	5 066 334	6 101 244
106	PRINTING AND STATINERY	0	0	1 385 800	1 098 176
106	LICENCES	0	0	822 736	530 155
106	RENTAL OF OFFICE EQUIP	450 000	957 695	795 751	1 088 374
106	MATERIAL OF SUPPLIES	0	0	0	27 720
106	STRATEGIC PLANNING	0	0	170 000	0
106	ENTERTAINMENT	0	0	0	0
106	TRAINING	290 000	265 858	662 280	297 859
106	LEGAL COSTS	5 308 920	1 907 227	2 588 808	717 893
106	SOFTWARE LICENCE	1 090 000	1 048 357	1 161 940	945 090
106	TRAVELLING AND SUBSISTANCE	220 000	66 428	234 520	79 014
106	ACCOMODATION AND MEALS	300 000	261 597	814 672	789 621
106	POSTAGE	32 395	7 625	34 533	8 061
106	COMPETENCY ASSESSMENT	0	0	100 000	65 281
106	OHS PROGAMMES	200 000	173 123	625 000	311 667
106	MACHINERY & EQUIPMENT	0	0	250 000	207 230
106	COMPUTER EQUIPMENT	0	0	400 000	11 835
106	FURNITURE	0	0	200 000	0
106	ADVERTISEMENT	0	0	386 143	342 152
106	LEAVE DAYS	364 500	576 995	668 544	535 881
106	LONG TERM SERVICE	641 995	607 689	1 308 619	1 152 166

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3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: information and communication technology (ict) services.

The ICT services are broadly defined as follows:-

1. Information management services
2. Information technology services
3. Information system services
4. Network management services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ict unit is responsible for the delivery of ict services across the municipality. The unit is responsible for devising change programmes across the departments in order to deliver a modern ict service function. The unit led the management and development of information and network systems which devise an effective ict management.

Brief Introductory Comments

Information, communication & technology services in the Thembisile Hani local municipality is regarded as a strategic resource. A strategic resource, which it is, viewed as both a critical and catalyst function for enabling service delivery at the customer face.
Key to the strategic nature of ict in the municipality is the enabling of the municipal key objectives of the municipality in order to meet its constitutional obligations. Ict enables the achievement of these obligations by deploying relevant information technology solutions.

The following policies have been developed and the related it service provided daily to
Departments:-
Corporate services department
Finance department
Social services department
Technical services department
Municipal manager's office
Political office bearers

2015/2016 Adopted Policies	2016/17 Adopted Policies
Patch Management Policy	Patch Management Policy
Information Security Policy	Information Security Policy
Reviewed Ict Governance Framework	Reviewed Ict Governance Framework
Back-Up Policy	Back-Up Policy
Ict Change Management Policy	ICT Change Management Policy
Internet Usage Policy	Internet Usage Policy
Email Policy	Email Policy
Password Policy	Password Policy
Telephone Usage Policy	Telephone Usage Policy
	Thlm Corporate Gavernance Of ICT Charter

EMPLOYEE INFORMATION

Employees: Information Technology					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	0%
Total	6	6	6	0	0%

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Thembisile Hani Local Municipality has priority in its capital project running. This are:
Maintain and ensure the smoth running of municipality

- ICT hardware/software maintenance
- Renewal of 2013 Microsoft office, Anti-virus, financial system licences (Munsoft and VIP).
- Updated municipal website
- Upgraded financial system (VIP and unsift systems for msa compliance)
- procurement of 15 laptops and three desktops
- Maintained 06 (Mathynsloop, Workshop, Tweefontein K, Traffic Centre, Kwamhlanga and Mandela satellite offices) satellite offices using wireless technology

Appointment made during financial year 2016/2017

- Appointment of Service Provider for the Supply of Wan, Internet and Telephone management system.

3.21 LEGAL AND ADMINISTRATION SERVICES

INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

The aim of legal services is to ensure a proper legal service to council and the municipal manager, as well as the executive mayor and his members of mayoral committee and other structures in council. Prepare and ensure approval of legal documents relating to council.

Employees: Legal & Secretariat Services					
Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	6	2	2	0	0%
7 - 9	1	0	0	0	0%
10 - 12	0	5	4	1	20%
13 - 15	0	0	0	0	0%
Total	8	8	8	1	12%

Note: All the legal expenditures are included in the corporate service (vote 106)

3.22 FLEET MANAGEMENT

INTRODUCTION

The section provides fleet services for the municipality and in doing so it is guided by the fleet management policy. Council vehicles are centralized and managed within the fleet unit.

STATUS OF COUNCIL FLEET AS OF JULY 2016 TO JUNE 2017

Thembisile Hani local municipality has a fleet management component responsible for the management and administration of hundred and thirty (130) fleet assets as per the revised fleet register for 2016/2017 financial year below. These fleet composition consist of vehicles, plant and equipment.

THEMBISILE HANI LOCAL MUNICIPALITY				
FLEET UNIT				
FLEET REGISTER 2016/2017				
WATER CARTS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DVC 918 MP	NISSAN	WATER TANK	2007	DIESEL
2. FDV 718 MP	NISSAN	WATER TANK	2007	DIESEL
3.DXS 688 MP	FAW	WATER TANK	2007	DIESEL
4. DXS 693 MP	FAW	WATER TANK	2007	DIESEL
5. DXS 697 MP	FAW	WATER TANK	2007	DIESEL
6. FLZ 921 MP	ISUZU	WATER TANK	2010	DIESEL
7. FLZ 923 MP	ISUZU	WATER TANK	2010	DIESEL
8. FMF 292 MP	ISUZU	WATER TANK	2010	DIESEL
9. DSH 922 MP	ISUZU	WATER TANK	2008	DIESEL
10. DSH 909 MP	ISUZU	WATER TANK	2008	DIESEL
11. HDP 501 MP	NISSAN	WATER TANKER	2013	DIESEL
12. DHY 232 MP	NISSAN	WATER TANKER	2013	DIESEL
13. HCY 384 MP	NISSAN	WATER TANKER	2013	DIESEL
14. HCY 384 MP	NISSAN	WATER TANKER	2013	DIESEL
HONEY SUCKERS				
1.DSH 919 MP	ISUZU	HONEY SUCKERS	2008	DIESEL
2.DSH 914 MP	ISUZU	HONEY SUCKER	2008	DIESEL

3. FZB 485 MP	NISSAN	HONEY SUCKER	2013	DIESEL
4.FZB 487 MP	NISSAN	HONEY SUCKERS	2013	DIESEL
		TIPPER TRUCKS		
1.DXT 171 MP	NISSAN	TIPPER	2009	DIESEL
2.DXT 176 MP	NISSAN	TIPPER	2009	DIESEL
3. DRH 754 MP	ISUZU	TIPPER	2009	DIESEL
4. DRH 748 MP	ISUZU	TIPPER	2009	DIESEL
5. DVC 913 MP	NISSAN	TIPPER	2009	DIESEL
6. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
7. HDP 484 MP	NISSAN	TIPPER	2013	DIESEL
8. HDP 389 MP	NISSAN	TIPPER	2013	DIESEL
9. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
10. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
11. HFD 909 MP	NISSAN	TIPPER	2013	DIESEL
		VARIETY		
1.DVC 923 MP	NISSAN	CASTAR	2009	DIESEL
2.HCD 563 MP	NISSAN	UD LOWBED	2013	DIESEL
3.HBP 383 MP	NISSAN	PICKER	2013	DIESEL
4.DRS 963 MP	FAW	PICKER	2013	DIESEL
5. HCD 587 MP	Payloader	Lowbed Trailer	2013	N/A
		COMPACTORS		
1.DJN 789 MP	NISSAN	COMPACTOR	2009	DIESEL
2.FSP 929 MP	NISSAN	COMPACTOR	2009	DIESEL
3.FVP 717 MP	NISSAN	COMPACTOR	2009	DIESEL
4.HBY802 MP	NISSAN	COMPACTOR	2013	DIESEL
5.HGW 505 MP	NISSAN	COMPACTOR	2013	DIESEL
6.HGW 609 MP	NISSAN	COMPACTOR	2013	DIESEL
		GRADERS		
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DPX 610 MP	BELL	BELL	2007	DIESEL
2. DPX 617 MP	KOMATSU	KOMATSU	2007	DIESEL
3. FDV 722 MP	CAT	CAT	2008	DIESEL
4. FZL 582 MP	BELL	BELL	2013	DIESEL
5. FWX 044 MP	SHANTUI	SHANTUI	2012	DIESEL
6. CWY 815 MP	BELL	BELL	2002	DIESEL
7. HCY 357 MP	BELL	BELL	2013	DIESEL

TLBS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. CZN 065 MP	CAT	CAT	2000	DIESEL
2. FDV 720 MP	BELL	BELL	2012	DIESEL
3. FVX 817 MP	BELL	BELL	2012	DIESEL
4. FVX 819 MP	BELL	BELL	2012	DIESEL
5. FVX 821 MP	BELL	BELL	2012	DIESEL
6. FYD 917 MP	BELL	BELL	2013	DIESEL
7. FYD 922 MP	BELL	BELL	2013	DIESEL
8. FYD 924 MP	BELL	BELL	2013	DIESEL
EXCAVATORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. JCB	JCB	JCB	2011	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
BOMAG				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. FDR 834 MP	BELL	BELL	2012	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
DOZER				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. BELL	BELL	BELL	2012	DIESEL
FRONT LOADER				
REGISTRATION NO. MADE		TYPE	YEAR MODEL	FUEL
1. FRONT END LOADER	LOADER	LOADER	2000	DIESEL
KOMBIS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DGG 503 MP	TOYOTA	QUANTUM	2004	DIESEL
TRACTORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DDS 201 MP	MASSEY	MASSEY	2000	DIESEL
2.DDS 214 MP	MASSEY	MASSEY	2002	DIESEL
3. FPJ 632 MP	MASSEY	MASSEY	2012	DIESEL
4. FPJ 638 MP	MASSEY	MASSEY	2012	DIESEL

5. FPJ 642 MP	MASSEY	MASSEY	2012	DIESEL
6. HFY 726 MP	LANDINI	SOLIS	2013	DIESEL
7.HFY 731 MP	LANDINI	SOLIS	2013	DIESEL
8. HFY 733 MP	LANDINI	SOLIS	2013	DIESEL
9. DXD 889 MP	MASSEY	MASSEY 400	2012	DIESEL
		BAKKIES		
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DWW 136 MP	NISSAN	BAKKIE	2007	DIESEL
2. DWW 137 MP	NISSAN	BAKKIE	2007	DIESEL
3. DWW 134 MP	NISSAN	BAKKIE	2007	DIESEL
4. DWW 141 MP	NISSAN	BAKKIE	2007	DIESEL
5. DWW 142 MP	NISSAN	BAKKIE	2007	DIESEL
6. DPY 734 MP	NISSAN	BAKKIE	2006	DIESEL
7. DPY 715 MP	NISSAN	BAKKIE	2006	DIESEL
8. DPY 707 MP	NISSAN	BAKKIE	2006	DIESEL
9. DPY 780 MP	NISSAN	BAKKIE	2006	DIESEL
10. DPY 701 MP	NISSAN	BAKKIE	2006	DIESEL
11. DPY 769 MP	NISSAN	BAKKIE	2006	DIESEL
12. DPY 802 MP	NISSAN	BAKKIE	2006	DIESEL
13. DPY 808 MP	NISSAN	BAKKIE	2006	DIESEL
14. DPY 747 MP	NISSAN	BAKKIE	2006	DIESEL
15. DPY 772 MP	NISSAN	BAKKIE	2006	DIESEL
16. DPY 725 MP	NISSAN	BAKKIE	2006	DIESEL
17. DFS 353 MP	FORD	BAKKIE	2012	PETROL
18. FSB 801 MP	NISSAN	BAKKIE	2012	DIESEL
19. FSB 882 MP	NISSAN	BAKKIE	2012	DIESEL
20. FSB 887 MP	NISSAN	BAKKIE	2012	DIESEL
21. FSB 890 MP	NISSAN	BAKKIE	2012	DIESEL
22. FSB 891 MP	NISSAN	BAKKIE	2012	DIESEL
23. DFY 131 MP	NISSAN	BAKKIE	2004	PETROL
24. FYZ 065 MP	NISSAN	BAKKIE	2013	DIESEL
25. FYZ 066 MP	NISSAN	BAKKIE	2013	DIESEL
26. FYZ 067 MP	NISSAN	BAKKIE	2013	DIESEL
27. FYZ 069 MP	NISSAN	BAKKIE	2013	DIESEL
28. DRD 053 MP	ISUZU	BAKKIE	2007	PETROL
29. HFN 945 MP	NISSAN	BAKKIE	2013	PETROL

30. HFN 956 MP	NISSAN	BAKKIE BULK	2013	DIESEL
31. HFN 966 MP	NISSAN	BAKKIE SANITA	2013	DIESEL
32. HFN 972 MP	NISSAN	BAKKIE ROADS	2013	DIESEL
33. HFJ 699 MP	TOYOTA HILUX	BAKKIE DISASTER	2013	DIESEL

PRIVATE/SEDANS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. CXP 399 MP	ALMERA	SEDAN	2004	PETROL
2. DFS 347 MP	ALMERA	SEDAN	2004	PETROL
3. FSB 896 MP	TIIDA	SEDAN	2013	PETROL
4. FSB 895 MP	TIIDA	SEDAN	2012	PETROL
5. FSB 897 MP	TIIDA	SEDAN	2012	PETROL
6. FYZ 862 MP	TIIDA	SEDAN	2013	PETROL
7. FYZ 864 MP	TIIDA	SEDAN	2013	PETROL
8. FYZ 878 MP	TIIDA	SEDAN	2013	PETROL
9 DFR 930 MP	TIIDA	SEDAN	2013	PETROL
10. FYZ 874 MP	TIIDA	SEDAN	2013	PETROL
11. DFT 019 MP	MAZDA	SEDAN	2002	PETROL
12. FYZ 872 MP	TIIDA	SEDAN	2013	PETROL
13.HVV 923 MP	MERC BENZ	SEDAN	2016	PETROL
DRAWN VEHICLES				
1.DCJ 096 MP	FID	TRAILER	N/A	DRAWN
2.DCJ 124 MP	FID	TRAILER	N/A	DRAWN
3.DDR 434 MP	TELCOM	TRAILER	N/A	DRAWN
4.DDR 438 MP	TELCOM	TRAILER	N/A	DRAWN
5.DDR 442 MP	TELCOM	TRAILER	N/A	DRAWN
6.DDR 447 MP	TELCOM	TRAILER	N/A	DRAWN
7.HCD 587 MP	KEARNEY'S TRA.	TRAILER	2013	DRAWN
8.HCJ 901 MP	H/CAN	TRAILER	2013	DRAWN
9.HJR 737 MP	H/CAN	TRAILER	2013	DRAWN
10.HJR 738 MP	H/CAN	TRAILER	2013	DRAWN
11.HJR 747 MP	H/CAN	TRAILER	2013	DRAWN
12.HJR 749 MP	H /CAN	TRAILER	N/A	DRAWN
13 HJR 752 MP	H/CAN	TRAILER	N/A	DRAWN

REPAIRS AND MAINTENANCE

Small council vehicles are repaired and maintained in house, plant and equipment are repaired and maintained through the service provider since 2016 /2017 financial year to date, we repair and maintain our municipal fleet in order to render a cost effective fleet operations to meet day to day target in delivering services to our communities as back to basic stipulate.

Chapter 3

COMPONENT G: MISCELLANEOUS

3.23 ANNUAL PERFORMANCE REPORT

THIS COMPONENT INCLUDES: ANNUAL PERFORMANCE SCORECARD REPORT FOR THE CURRENT YEAR.

municipal planning and performance management regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players" (chapter 3, section 7, municipal planning and performance management regulations, 2001).

The 2016/2017 performance management framework and policy was adopted by council

The annual performance report must be presented to the auditor general for auditing together with the annual financial statements on 31 august 2017.

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

INTRODUCTION AND BACKGROUND

This report is compiled in terms of the municipal systems act (msa), 32 of 2000, section 46(1) and (2). It covers the performance information of the municipality from 1 July 2016 to 30 June 2017 and focuses on the implementation of the 2016/2017 revised service delivery budget and implementation plan (sdbip), in relation to the objectives as encapsulated in the municipality's integrated development plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and an overview of financial performance.

In the year under review (2016/2017), Thembisile Hani local municipality had five departments, namely; technical services, social development services, corporate services, finance service, as well as the municipal manager's office.

PURPOSE

The main purpose of this report is to account to the miss for cooperative governance and traditional affairs, provincial and national treasury, and auditor-general and to the citizens of Thembisile Hani local on progress being made by municipality towards achieving the overall goals. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens.

METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of section 46 of the municipal systems act 32 of 2000,
(1) A municipality must prepare for each financial year a performance report reflecting-
(a) The performance of the municipality and of each external service provider during that financial year;

(b) A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and
(c) Measures taken to improve performance.
(2) An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the municipal finance management act.

In terms of chapter 6 of the municipal system act, no. 32 of 2000 municipalities must monitor and measure the progress of their performance by preparing quarterly, mid-year and annual performance reports.

INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2016/2017 financial year, every attempt was made to ensure that the municipality complies with the legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Thembisile Hani local municipality has continued to maintain an effective operation of the following mechanisms:

- The 2016/2017 idp included strategic objectives, strategies and key performance indicators (kpis) as required by the municipal systems act, 32 of 2000;
- The budget for implementation of the idp was approved within the prescribed timelines prescribed in the municipal finance management act, 56 of 2003;
- After approval of the budget, the sdbip was developed to integrate the idp and thfe budget and to ensure effective implementation of the institutional strategies;
- Performance agreements which incorporates performance plans were developed and signed as required by the municipal performance regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the municipal manager (mm);
- Quarterly performance reports were objectively and independently audited by the internal audit unit verifying the accuracy and credibility of the reported performance information; and
- The performance audit committee (ac) functioned optimally in the year; in line with the committee's approved terms of reference

DEVELOPMENT OBJECTIVES

The following are the strategic objectives that the municipality has set:

- To improve the organisational development capacity of the municipality in order to render effective service delivery
- To enhance revenue and to ensure financial viability and sustainability.
- To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.
- To improve the quality of life of the community by providing them, with water supply, sanitation, roads as well as amenities such community halls and basic recreational facilities.
- To improve the quality of life of the community through providing them with community facilities and containing the hiv/aids epidemic in the area.
- To ensure that residents live within a safe environment by illuminating strategic nodal point.

- To utilize the municipal area's agricultural potential to the maximum
- To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.
- To deepen democracy and strengthen democratic institutions through active public participation

MUNICIPAL PRIORITIES

The annual performance report is structured to show how projects were implemented within the financial year to address the IDP priorities.

- issue 1: institutional development
- issue 2: financial viability
- issue 3: public participation and good governance
- issue 4: water
- issue 5: sanitation
- issue 6: electricity (communal and street light)
- issue 7: road and storm water
- issue 8: public transport
- issue 9: cemeteries
- issue 10: waste and environmental management
- issue 11: municipal facilities, sport, recreation, art & culture
- issue 12: public safety, security and emergency services
- issue 13: spatial planning and land use management
- issue 14: local economic development
- issue 15: youth development
- issue16: transversal issue

Chapter 3

OVERALL CONCLUSION

During the 2016/2017 financial year the overall performance of Thembisile Hani local municipality is **69%** success rate achievement. As compared to **65%** success rate achieved during the 2015/2016 financial year.

Key Performance Area	**Total No. Of Target**		**Total Achieved**		**Not Achieved**	
	No	%	No	%	No	%
1. Basic Service Delivery						
1.1. Technical Services	32	100%	17	53%	15	47%
1.2. Social Development Services	9	100%	8	78%	01	22%
2. Municipal Transformation And Institutional Development	24	100%	21	87.5%	03	12.5%
3. Municipal Financial Viability And Management	15	100%	12	80%	03	20%
4. Good Governance And Public Participation	32	100%	19	59%	13	41%
5. Local Economic Development	09	100%	08	89%	01	11%
Total	**121**	100%	**84**	**69%**	**37**	**31%**

On Nkosi

Municipal Manager

Date: 30/11/2017

KPA: BASIC SERVICE DELIVERY AND INFRASTRACTURE DEVELOPMENT

TECHNICAL SERVICE

The department of Technical Services overall performance for 2016/2017 financial year is 53% achievement. The department managed to achieve 17 targets out of the 32 planned targets, as compared to 71% achieved in 2015/2016 financial year out of 72 planned targets 51 targets was achieved

CAPITAL BUDGET

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
WATER												
DTS001	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	New Reservoir and Pipeline at Kwa-Mhlanga – Phase 2	Number of dedicated pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	3.2KM of 500mm diameter pipeline laid from Ekandustria to Enkel doornoog constructed . And 800m of 315mm diameter pipeline to kwa-Mhlanga R1 reservoir constructed	1 New dedicated 5.4km pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	R 30,589,680	1 new dedicated 2.8km pipeline from new reservoir to existing pipeline which split to two areas Pholapark and Thembalethu has been completed	R27 850 512.00	No	Non completion due to the following delays: Business forum challenges in light of sub-construction opportunities, which led to a 5 weeks	As this project is a multi-year, the remaining activities (0.4km of bulk pipeline) will completed in the 1st Quarter 2017/18	Appointment letter, Quarterly progress reports.' Completion certificates.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
					by 30 June 2017					delay. Arson incident on material (pipe) that was on site.		
DTS002	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Upgrading of Kwaggafontein Water Scheme – Phase 2	Number of water schemes upgraded	2Ml Reservoir and 300m pipeline connection constructed , 1.9km of 160mm diameter pipeline laid from Boekenhout hoek to Bundu	1 Bulk water scheme upgraded by 30 June 2017	R23,000,000	6km of pipe installed from Kwaggafontein reservoirs to Boekenhouthoek reservoir upgraded with 335mm uPVC Class 9 for 6.8km.	R 25 915 951.01	No	Non completion of project due to the following delays: Excessive hard rock that has to be blasted as opposed to normal Excavation. Site limitations due to the initiation period.	As this project is a multi-year, the remaining activities (0.8km of bulk pipeline) will completed within the 1st Quarter of 2017/18. And 10 Local Subcontractors appointed.	Appointment letter, Quarterly progress reports.' Completion certificates.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS003	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Upgrading of existing infrastructure from agricultural project to augment borehole water supply in Bundu.	Number of Bulk water schemes upgraded	Technical report and detailed design report	1 Bulk water scheme upgraded by 3o June 2017	R31,084,891	Backfilling of 1.46km bulk supply line from Bundu to Boekenhoet-hoek Backfilling of 4.465km bulk supply line from Bundu to resevoir Boekenhout-hoek. Testing and commissioning of 4.465km bulk supply line in Boekenhout-hoek.	R 39 480 595.20	No	The non-completion of the project is due to delays : Site limitations due to the initiation period WP3. Excessive hard Rock at WP 3 Water Use license Application on WP1		Appointment letter, Quarterly progress reports.' Completion certificates.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS017	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Water Reticulation Sun City C	Number of households connected to yard taps	Some household connected to yard tap	200 households connected to yard taps	R7,140,000	135 households connected to yard taps	R 6 053 326.45	No	There was an error on the approved technical report of Sun City C Water Reticulation, in that the total number of households physically verified amounts to 79, and not the initially reported 200. Coupled to this, there was an additional 69 households that were connected	Accurate house hold number be provided during Comiplation of IDP and SDBIP	Appointment letter, Quarterly progress reports.' Completion certificates.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
										to yard taps.		
DTS084	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure	Upgrading of Enkeldoornog B Water Infrastructure	Number. of interconnection from 1000 to 500mm pipeline	Existing storage reservoir , existing bulk pipe lines (1000 & 500mm)	1 Interconnection of 1000 to 500mm bulk line at Enkeldoornong B by 30 June 2017	R 2,620,000	Valve has been connected on 500mm dia pipeline.	R 3 843 344.04	No	Site limitation to site as a result of the initiation period that led to the interconnection completion testing having to be moved to the first week of July 2017.	None, inter-connection was tested on the 5th of July 2017.	Appointment letter, Quarterly report and Completion certificate,.
DTS085	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical	Refurbishment of Boreholes(Verena,Moloto,Kwaggafontein)	Number. of boreholes refurbished (Verena,Moloto,Kwaggafontein)	Existing Drilled and equipped boreholes	6 Boreholes refurbished ((Verena, Moloto,Kwaggafontein) by 30 June 2017	R 2,230,526	Site establishment and procurement of material.	R 820 012.71	No	Project started late	THLM to assist Service Providers in procuring material so project can be completed in the 1st Quarter of 2017/18	Appointment letter, Quarterly report and Completion certificate,.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	infrastructure											
SANITATION												
DTS068	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Luthuli Waste Water Treatment Works (Multi-Year Project)	Number of waste water treatment works developed	Preliminary Design reports	1 waste water treatment plant developed by 30 June 2017	R5,816,169	Design report and drawings produced.	R6 112 303.11	No	Delays due to late advertisement.	Consultant appointment to be fast tracked	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS069	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Upgrading of WWTW Tweefontein K	Number of WWTW upgraded	Construction of 0.75ml/day WWTW Tweefontein K	1 WWTW upgraded 30 June 2017	R211,529	The project has been re-advertised.	R0 000.00	No	Late recommendation and approval of the project by DWS.	Project has been registered with Cogta, and has been re-advertised for Consultants.	Appointment letter, Quarterly progress reports.' Completion certificates.

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS004	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Project Monitoring reports	Number of project monitoring reports (site visit reports) submitted to Municipal Manager	12 Project monitoring/ monthly reports	12 project monitoring reports (site visit reports) submitted to Municipal Manager by 30 June 2016 (1 report per month)	In house	12 Project monitoring reports	In house	Yes	None	None	Quarterly progress reports
DTS083	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Municipal Infrastructure Grant	% of capital budget actually spent on capital projects identified	100% spent	100% spent by 30 June 2017	In house	100% spent	In house	Yes	WULA that has not been approved by DWS to date, following the submission of it by THLM in October 2016. Continuous follow ups have been conducted	Escalation of WULA matter to DWS Provincial Head. Blasting and rigging techniques were implemented prior to normal excavations taking	Monthly signed DORA reports

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
										with DWS. Excessive hard rock that has been encountered on Sun City C, Bundu Weir (Work Package 3), and Kwaggafontein Water Scheme. Business forum challenges in light of sub-construction opportunities that the forums deem fit to bulldoze their way into, and not work in	place.	

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
										line with the procurement processes of the municipality. Delays attributed by site limitations as a result of the initiation period		
ROAD AND STORM WATER												
DTS086	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure	Mabhoko Cemetery Road	Number. of Design completed for Mabhoko Cemetery Road	Gravel road infrastructure	1 Design completed for Mabhoko Cemetry Road by 30 June 2017	R 500,000	1 Design completed for Mabhoko Cemetery Road	R270 422.67	Yes	None	None	Appointment letter, Quarterly report and Completion certificate,

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
ELECTRICITY												
DTS087	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure	High mast Lights and Street Lights (THLM)	Number .of High mast Lights and Street Lights Maintained	Faulty and non - functional High mast Lights and Street Lights	12 High mast Lights and 134 Street Lights Maintained by 30th June 2017	R8,436,004	11 High mast Lights and 98 Street Lights have been Maintained	R1 583 148.45	No	The target was claimed as achieved meanwhile the actual is below the target set	The relevant dept. must make sure that the actual is equal to the target before they said the target is achieved	Appointment letter, Quarterly report and Completion certificate,

OPERATIONAL BUDGET

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
WATER												
DTS037	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Free basic water	Number of kilolitres provided to households at no charge (free basic water)	6 Kilolitres provided to households at no charges on monthly basis	6 Kilolitres provided to households at no charges on monthly basis	In house	6 Kilolitres provided to households at no charges on monthly basis	In house	Yes	None	None	Rebate reports
DTS038	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Bulk water supply	Number of household provided with basic water service	57 108 Households provided with basic water daily	57 108 Households provided with basic water daily by 30 June 2017	R 125 440 000	56 991 Households provided with basic water daily by 30 June 2017	R114 276 852.82	No	Not all households have meters so it is difficult to provide evidence	Request financial assistant to install meters to all households	Invoices

KPA	BASIC SERVICE DELIVERY										
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS039	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Water and testing and samples	Number of water samples tested	160 Water samples tested	200 Water samples tested by 30 June 2017	R 602 666	282 Water samples tested	R 602 666.0	Yes	None	None	Water quality reports
DTS040	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Reports on the repairs and maintenance to water network	Number of reports produced and submitted to the Municipal Manager on pipe bursts and leakages	12 Reports produced and submitted to the municipal manager	12 Reports produced and submitted to the municipal manager by 30 June 2017	R 414 263	12 Reports produced and submitted to the municipal manager	R 414 263	Yes	None	None	Water maintenance reports, Job cards
DTS041	To improve the quality of life of the	Refurbishment of Reservoirs	Number of Reports produced and submitted	4 Reports produced and submitte	4 Reports produced and submitted to the	R160 500	1 Report produced and submitted to the	R 160 500	No	The actual was amended as only 1 Quarterly	The POE submitted must match the actual	Reports, Job cards

KPA	BASIC SERVICE DELIVERY										
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	community by providing them, with water supply, sanitation, roads		to the Municipal Manager on the repair of reservoirs	d to the Municipal Manager	Municipal Manager by 30 June 2017		Municipal Manager			report was submitted	claimed	
DTS042	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	WWTW Bulk Infrastructure	Number of reports produced and submitted to the Municipal Manager on the repair of bulk line, pumps, boreholes and valves	12 reports produced and submitted to the Municipal Manager on the repair of bulk line, pumps, boreholes and valves	12 reports produced and submitted to the Municipal Manager on the repair of bulk line, pumps, boreholes and valves by 30 June 2017.	R19 000 000	8 reports produced on the repair of bulk line, pumps, boreholes and valves	R19 000 000	No	The actual was amended to 8 as per the POE submitted	The actual claimed must be supported by the POE	Progress reports
DTS043	To improve the quality of life of the community by	Water Service Development Plan	Number of Water Service Development plan developed	Outdated report	1 Water Service Development Plan developed by 30 June 2016	R 500 000	Draft WSDP produced	R 128 000.00	No	Delays on data verification.		Adverts, Water Service Development Plan

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	providing them, with water supply, sanitation, roads						R 128 000					
ROAD AND STORM WATER												
DTS071	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravelling of roads (THLM)	Number of potholes patched, speed hump constructed and road sign installed (Routine Main - Roads and Storm Water)	Routine Maintenance	100 Potholes patched, 20 speed humps constructed , 50 road sign installed by 30 April 2017	R 1 000 000.	159 potholes patched, 32 speed humps constructed and 46 road signs installed	R 1 036 986.24	No	The actual of road signs was amended to 46 as per the POE instead of 51 road signs	The POE submitted must match the actual claimed	Confirmation letter from Ward Council (happy Letter)
DTS072	To improve the quality of life of the community by providing them, with water	Re-gravelling of roads Moloto south	Number of Kilometre of road re-gravelled	0	3.5 Km road re-gravelled by 30th November 2016	In house	3.6km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	supply, sanitation, roads											
DTS073	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravelling of roads Moloto North	Number of Kilometre of road re-gravelled	0	3.5 km road re-gravelled by 30th November 2016	In house	5.5km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS074	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravelling of roads Mountain view	Number of Kilometre of road re-gravelled	0	4.7km road re-gravelled 30th November 2016	In house	5.2km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS075	To improve	Regravelling of roads	Number of Kilometre	0	3.5km road re-gravelled	In house	4.5km	In-house	Yes	None	None	Confirmation letter from

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the quality of life of the community by providing them, with water supply, sanitation, roads	Msholozi	of road re-gravelled		by 30th November 2016							Ward Council (happy Letter)
DTS076	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravellingof roads Suncity AA	Number of Kilometre of road re-gravelled	0	3.9km road re-gravelled by 31th March 2017	In house	11km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS077	To improve the quality of life of the community by	Re-gravelling of roads Suncity B	Number of Kilometre of road re-gravelled	0	2. km road re-gravelled by 31th March 2017	In house	2.6km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	providing them, with water supply, sanitation, roads											
DTS078	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravelling of roads Suncity C	Number of Kilometre of road re-gravelled	0	2.5 km road re-gravelled by 31th March 2017	In house	3km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS079	To improve the quality of life of the community by providing them, with water supply, sanitation,	Re-gravelling of roads Vezubuhle	Number of Kilometre of road re-gravelled	0	3.5 km Road re-gravelled by 31th March 2017	In house	3.5km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	roads											
DTS080	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Re-gravelling of roads Tweefontein E	Number of Kilometre of road re-gravelled	0	3 km Road re-gravelled by 31th March 2017	In house	3.5km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS081	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Regravelling of roads Phola park	Number of Kilometre of road re-gravelled	0	5km Re-gravelled by 30th June 2017	In house	5.2km	In-house	Yes	None	None	Confirmation letter from Ward Council (happy Letter)
DTS082	To improve the quality of life of	Design of Boekenhouhoek box culvert	Number of detailed design reports	0	1 Design report and 1 detailed drawing by	R 639 600	1 Design report and 1 detailed	R 553 953.38	Yes	None	None	1 Design report and 1 detailed

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	2016/2017 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES /COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the community by providing them, with water supply, sanitation, roads		and drawings produced		30 June 2017		drawing					drawing
SANITATION												
DTS070	To improve the quality of life of the community by providing them, with water supply, sanitation, roads	Kwa-Mhlanga and Tweefontein K Waste Water Purification	Number of household provided with access to basic sanitation	2335 Households provided with access to basic sanitation daily	2335 Households provided with access to basic sanitation daily by 30 June 2017	R 1 400 000	2 287 Households provided with access to basic sanitation daily	R 1 400 000.00	No	The billing system still contained the old number of households	To do physical verification and submit the new information to revenue collection office	Monthly reports

SOCIAL DEVELOPMENT SERVICES

The department of Social Development Services overall performance for 2016/2017 financial year is 78% achievement. The department managed to achieve 07 targets out of the 09 planned targets, as compared to 46% achieved in 2015/2016 financial year out of 13 planned targets 6 targets was achieved

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
SDS001	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Waste collection	Number of households provided with access to refuse removal fortnightly	109,282 h/h with access to refuse removal every 2 weeks	109 282 households provided with refuse removal on fortnightly	In house	56 856 households provided with refuse removal on fortnightly	In house	No	The calculation was based only on households where refuse were actual collected	The calculation will be now based on all household given access to refuse removal	Monthly reports Trip sheet
SDS001	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated	Waste Management and Environment (Collection of full yellow bins as	Number of full yellow bins collected within the municipal area	0	100 Yellow bins collected as and when required	In house	100 Yellow bins collected as and when required	In house	Yes	None	None	Monthly reports Job card

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	physical infrastructure .	and when required)										
SDS002	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Extended Public Works Programme	Number of EPWP workers employed and distributed for waste collection	100	108 Jobs created by 30 September 2016	R 2 244 000	108 Jobs created	R 2 244 000	Yes	None	None	Appointment letters
SDS003	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure .	Waste collection timetable	Number of waste collection programme developed and implemented	1	1 Waste collection programme developed by 30 July 2017	In house	1 Waste collection programme developed	In house	Yes	None	None	Waste collection programme

KPA	BASIC SERVICE DELIVERY											
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SDS004	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Waste collection reports	Number of waste collection monitoring reports produced	0	48 Waste collection monitoring reports produced by 30 June 2017 (1 report per week)	In house	48 Waste collection monitoring reports produced	In house	Yes	None	None	Weekly monitoring reports
SDS005	To improve the quality of life of the community by providing them, with water supply, sanitation, roads as well as amenities such community halls and basic recreational facilities.	Grading of sport fields	Number of sports fields graded per ward	32	32 Sports fields graded by 30 June 2017	In house	16 Sports fields graded	In house	No	Grader broken	Fix the broken grader	Monthly reports

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
SDS006	To enhance revenue and to ensure financial viability and sustainability.	Road blocks	Number of road blocks conducted	19 road blocks conducted	24 road blocks conducted by 30 June 2017	In house	26 road blocks conducted	In house	Yes	None	None	Attendance registers
SDS007	To deepen democracy and strengthen democratic institutions through active public participation	Literary and library campaigns	Number of literacy and library campaigns held	1	1 Literacy and 1 library campaign held by 31 March 2017	In house	1 Literacy and 3 library campaign held	In house	Yes	None	None	Attendance registers and reports
SDS008	To improve the quality of life of the community through providing them with community facilities and containing the HIV/Aids epidemic in the area.	HIV/AIDS campaigns	Number of HIV/AIDS campaigns conducted	6 HIV/Aids campaigns conducted	6 HIV /AIDS campaigns conducted by 30 June 2017	In house	11 HIV /AIDS campaigns conducted	In house	Yes	None	None	Attendance registers and reports

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

CORPORATE SERVICES

The department of Corporate Services overall performance for 2016/2017 financial year is 87.5% achievement. The department managed to achieve 21 targets out of the 24 planned targets, as compared to 80% achieved in 2015/2016 financial year out of 25 planned targets 20 targets was achieved.

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS001	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Training of staff	Number of officials trained	25 Officials trained	59 Officials trained by 30 June 2017	R 662 280	107 Officials trained	R407,973.19	Yes	Inadequate budget	Proposals for more budget to be made in the next financial year.	Training report
DCS002	To improve the organisati	Implementation of training budget	Percentage of municipal budget	1%	1% Of a municipal budget spent on	In house	0.36% municipal budget spent on	R407,973.19	No	Inadequate budget	Proposals for more budget to be made in	Section 71 report

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	onal development and capacity of the municipality in order to render effective service delivery		actually spent on implementing workplace skills plan		implementing work place skills plan by 30 June 2017		implementing work place skills plan				the next financial year.	
DCS003	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Works Skills Plan	Number of WSP developed and adopted by Council	1 WSP developed and adopted	1 WSP developed and adopted by 30 April 2017.	In house	1 WSP developed and adopted	In house	Yes	None	None	Proof of submission ,Council resolution
DCS004	To improve the organisational	Employment Equity Report	Number of EER submitted to LGSETA	1 EER submitted to Labour	1 EER submitted to Labour by 31 January	In house	1 EER submitted to Labour	In house	Yes	None	None	Proof of submission

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	development and capacity of the municipality in order to render effective service deliver				2017.							
DCS005	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Occupational health and safety	Number of OHS return on earnings submitted to the department of Labour	1 OHS return on earnings submitted	1 OHS return on earnings submitted to the department of labour by 31 May 2017	In house	1 OHS return on earnings submitted to the department of labour	In house	Yes	None	None	Proof of submission
DCS006	To improve the organisational developm	HR Policies	Number of HR policies reviewed and adopted	6 HR Policies reviewed and adopted	6 HR Policies reviewed and adopted by Council by	In house	0	In house	No	Policies served at Mayoral Committee in June 2017	Submitted to Council on 25 July 2017.	Council resolution

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	ent and capacity of the municipality in order to render effective service delivery		by Council		30 June 2017							
DCS007	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Filling of Vacant positions	Number of vacant positions filled	18 Post	8 Vacant positions to be filled by 30 August 2016 (2 Grader Operator, 1 Chief Internal Auditor,1GA/Handyman,1 CFO,1Water cart driver, 1 Chief legal officer,1 LUMS inspector	In house	14 Vacant positions filled	In house	Yes	None	None	Appointment letters

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS008	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Occupational Health and Safety Compliance	Number audit reports issued on OHS inspection	2	2 Reports issued by 30 June 2017	In house	2 Reports issued	In house	Yes	None	None	Report
DCS009	To improve the organisational development and capacity of the municipality in order to render effective service delivery	OHS meetings	Number of OHS committee meetings held	4	4 OHS meetings held by 30 June 2017	In house	4 OHS meetings held	In house	Yes	None	None	Attendance register ,Minutes

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS010	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Employee inductions	Number of inductions conducted for new and old employees	2 Inductions conducted	2 Inductions conducted by 30 June 2017	In house	3 Inductions conducted	In house	Yes	None	None	Attendance register, Report
DCS011	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Council Meetings	Number of council meetings held	12 Council meetings held	6 Council meetings held by 30 June 2016	In house	10 Council meetings held	In house	Yes	None	None	Attendance register

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS012	To deepen democracy and strengthen democratic institutions through active public participation	Mayoral Committee Meetings	Number of mayoral committee meetings held	12	12 Mayoral committee meetings held by 30 June 2017	In house	12 Mayoral committee meetings held	In house	Yes	None	None	Attendance register
DCS013	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Local Labour Forum	Number of LLF meetings held	3 LLF meetings held	6 LLF meetings held by 30 June 2017	In house	7 LLF meetings held	In house	Yes	None	None	Attendance register

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS014	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Municipal Website	Updated websites to comply with Section 75 of the MFMA	Updated websites	Updated websites to comply with Section 75 of the MFMA by 30 June 2017	In house	Updated websites to comply with Section 75 of the MFMA	In house	Yes	Departments not submitting reports timeously.	Regular reminders to departments	Printed screen page
DCS015	To improve the organisational development and capacity of the municipality in order to render effective service delivery	ICT Licenses	Number of ICT licenses renewed	316 Renewed ICT licences	210 Anti-virus License, 50 Microsoft office License, 1 Firewall License, 1 Scope serve License, 1 VIP license 1 RT system	R1 161 940	210 Anti-virus License, 50 Microsoft office License, 1 Firewall License, 1 Scope serve License, 1 VIP license 50 OME licenses,	R1 095 797.89	No	1 RT system License, 1 GIS License, Not yet licensed due to finalisation of procurement processes with the Service providers.	Finalise the processes with Service Providers by the first quarter.	Licence certificate

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
					License, 1 GIS License, 50 OME licenses, 1Munsoft license by 30 June 2017		1Munsoft license by 30 June 2017					
DCS016	To improve the organisational development and capacity of the municipality in order to render effective service delivery	ICT Policies	Number of ICT policies reviewed and approved by council	6 ICT policies reviewed and approved	7 ICT policies reviewed and approved by council by 30 June 2017	In house	7 ICT policies reviewed and approved by council	In house	Yes	None	None	Council resolution, Policies
DCS017	To improve the organisational development and	ICT steering Committee	Number of ICT steering committee meetings held	4 ICT Steering committee meetings	4 ICT Steering committee meetings held by 30 June 2017	In house	4 ICT Steering committee meetings held	In house	Yes	None	None	Attendance register, Minutes

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	capacity of the municipality in order to render effective service delivery											
DCS018	To improve the organisational development and capacity of the municipality in order to render effective service delivery	ICT hardware and maintenance	Number of reports issued on repairs and maintenance of ICT equipment	4 Reports	4 Reports issued on repairs and maintenance of ICT equipment by 30 June	R 426 400	4 Reports issued on repairs and maintenance of ICT equipment	R202 276.00	Yes	None	None	Reports
DCS019	To improve the organisational development and	Computer Equipment	Number of Laptop, desktop and computer equipment to be	New project	13 Laptop , 3 desktop and computer equipment (2	R400 000	15 Laptop , 3 desktop and computer equipment (2	R409 781.88	Yes	None	None	Proof of payment

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	capacity of the municipality in order to render effective service delivery		procured		Projectors, ICT Toolbox and UPS) to be procured by 30 June 2017		Projectors, ICT Toolbox and UPS) to be procured					
DCS020	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Municipal Fleet operational plan	Number of operational plans developed on repairs, maintenance and licensing of 114 municipal fleet	1 Operational plan developed	1 Operational plan developed and implemented on a monthly basis by 30 June 2017	In house	1 Operational plan developed and implemented on a monthly basis	In house	Yes	None	To introduce FML project in our annual operational plan.	Operational plan

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS021	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Municipal fuel usage	Number of reports on fuel usage and reconciliations conducted on each municipal fleet	12 Reports produced on fuel usage and reconciliations conducted	12 Reports produced on fuel usage and reconciliations conducted on each municipal fleet by 30 June 2017.	R4 530 334	12 Reports produced on fuel usage and reconciliations conducted on each municipal fleet	R5, 495. 303.00.	Yes.	None	Introduce FML for small vehicles.	Fuel reports
DCS022	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Municipal Fleet repairs and maintenance	Number of reports produced on repairs and maintenance of municipal fleet	12 Reports on repairs and maintenance of municipal fleet produced	12 Reports on repairs and maintenance of municipal fleet produced by 30 June 2017	R8 325 964	12 Reports on repairs and maintenance of municipal fleet produced	R1.0401.6 41.00	Yes.	Ageing municipal fleet.	Introducing FML for small municipal fleet.	Repairs and maintenance report

KPA	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS023	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Municipal Fleet Licenses	Number of reports produced on licensing of municipal fleet	2 Reports produced on licensing of municipal fleet	1 Reports produced on licensing of municipal fleet by 30 September 2016	R 822 736	1 Reports produced on licensing of municipal fleet	R530.155.00	Yes.	None.	None.	Motor vehicle licence certificate
DCS024	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Litigation reports	Number of litigation reports submitted to Municipal Manager	4 Litigation reports submitted to Municipal Manager	4 Litigation reports submitted to Municipal Manager by 30 June 2017	R2 588 808	4 Litigation reports submitted to Municipal Manager	R 689 318.05	Yes	None	None	4 Litigation reports

KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

FINANCE SERVICES

The department of Finance Services overall performance for 2016/2017 financial year is 80% achievement. The department managed to achieve 12 targets out of the 15 planned targets, as compared to 65% achieved in 2015/2016 financial year out of 13 planned targets 20 targets was achieved.

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
DBT001	To enhance revenue and to ensure financial viability and sustainability.	2016/2017 Budget Adjustment	Number of approved 2016/2017 adjusted budgets	1 Approved 2015/2016 adjusted budget	1 Approved 2016/20167 adjusted budget by 31 January 2017	In house	1 Approved 2016/20167 adjusted budget	In house	Yes	None	None	Council resolution
DBT002	To enhance revenue and to ensure financial viability and sustainability.	MTREF Budget and related policies	Number of compiled and approved MTREF budget and budget related policies for 2017/2018	1 Approved MTREF Budget and budget related policies for 2016/2017	1 Approved MTREF Budget and budget related policies for 2017/2018 by 31 May 2017	In house	1 Approved MTREF Budget and budget related policies for 2017/2018 approved 27 June 2017	In house	No	The budget process delayed due to MSCOA	The budget to be approved in May the coming financial year	Approved MTREF budget Council resolution

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
DBT003	To enhance revenue and to ensure financial viability and sustainability.	Revenue Collection	Amount of own revenue collected within the 2016/2017 financial year	R21,129,642 Own revenue collected	(R36 975 591) Total revenue collected excluding capital transfer by 30 June 2017 Broken down as follows:-	In house	R 41 581 555	In house	Yes	None	None	71 Monthly reports
				R944 098	1.Property Rates (14 868 601))	In house	R 8 011 806	In house	No	None payment of Services by consumer	New revenue enhancement strategy developed by the municipality	71 Monthly reports
				R2 317 876	2.Service charges (R 1 112 386)	In house	R 2 341 020	In house	Yes	None	None	71 Monthly reports
				R1 981 794	3.Investment Revenue (R 3 395 588)	In house	R 4 594 630	In house	Yes	None	None	71 Monthly reports
				R15 879 674	4.Other own Revenue (R 17 599 016)	In house	R 26 634 099	In house	Yes	None	None	71 Monthly reports

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
				R484 586 035	Transfers (R 453 690 000)	In house	R 463 690 00	In house	Yes	None	None	71 Monthly reports
DBT004	To enhance revenue and to ensure financial viability and sustainability.	Section 71 Monthly Reports	Number of Section 71 reports submitted to the Executive Mayor, National treasury and Provincial treasury within 10 working days after the end of each month	12 Section 71 reports	12 Section 71 reports submitted by 30 June 2017	In house	12 Section 71 reports submitted	In house	Yes	None	None	Proof of submission and 12 reports
DBT005	To enhance revenue and to ensure financial viability and sustainability.	Supply Chain Management Reports	Number of Supply Chain Management Reports submitted to council	4 Supply chain management reports	4 Supply chain management reports submitted to Council by 30 June 2017	In house	4 Supply chain management reports submitted to Council	In house	Yes	None	None	4 Reports and council resolutions
DBT006	To enhance revenue and to ensure financial	Budget Statements	Number of budget statements submitted to council	4 Budget statements	4 Budget statements submitted to council by 30 June 2017	In house	4 Budget statements submitted to council	In house	Yes	None	None	Council resolution and reports

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
	viability and sustainability.											
DBT007	To enhance revenue and to ensure financial viability and sustainability.	Bank reconciliations	Number of monthly bank reconciliation submitted to council	12 Bank reconciliation submitted	12 Bank reconciliation submitted to council by 30 June 2017	In house	12 Bank reconciliation submitted to council	In house	Yes	None	None	12 Bank reconciliation and proof of submission
DBT008	To enhance revenue and to ensure financial viability and sustainability.	Annual Financial Statements	Number of Annual Financial Statements compiled and submitted to the Auditor General	1 Annual Financial Statement	1 Annual Financial Statement submitted to the AG by 31 August 2016	In house	1 Annual Financial Statement submitted to the AG	In house	Yes	None	None	Annual Financial Statement
DBT009	To enhance revenue and to ensure financial viability and	Audit Action Plan	Number of audit action plans developed and implemented	1 Audit action plan developed and implemented	1 Audit action plan developed and implemented by 31 December 2016	In house	1 Audit action plan developed and implemented	In house	Yes	None	None	Audit action plan

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
	sustainability.											
DBT010	To enhance revenue and to ensure financial viability and sustainability.	Asset Verification	Number of Asset verification sessions conducted	2 Assets verification sessions conducted	2 Assets verification sessions conducted by 30 June 2017	In house	2 Assets verification sessions conducted	In house	Yes	None	None	Verification reports
DBT011	To enhance revenue and to ensure financial viability and sustainability.	Stocktaking	Number of stocktaking sessions conducted	2 Stocktaking sessions conducted	2 Stocktaking sessions conducted by 30 June 2017	In house	2 Stocktaking sessions conducted	2 Stocktaking sessions conducted	Yes	None	None	Report

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
DBT012	To enhance revenue and to ensure financial viability and sustainability.	Asset Register	Number of Asset Registers updated	1 Updated Asset Register	1 updated Asset Register by 30 June 2017	In house	1 updated Asset Register	In house	No	Due to year end system closure processes the finalisation of the FAR is done 30 days after the end of the financial year. The FAR will be ready in the 1st quarter of the new financial year.	The FAR process is currently under way and will be finalised on the 15th August 2017, before submission to the AG for audit on the 31st August 2017.	Assets register and AFS
DBT013	To enhance revenue and to ensure financial viability	Data Cleansing	Percentage of data cleansing process completed	0	100% of the data cleansing process completed by 30 June 2017	In house	30% of the data cleansing process completed	In house	No	A comprehensive data cleansing project has not been performed	The new valuation roll project will be able to address the data	Data cleansing report

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENTS	ACTION PLAN	PORTFOLIO OF EVIDANCE
	and sustainability.									due to consolidating it into the new valuation roll.	cleansing issue.	
DBT014	To enhance revenue and to ensure financial viability and sustainability.	Valuation Roll	Percentage of valuation roll implemented	Valuation Roll in place	100% of the valuation roll implemented on a monthly basis by 30 June 2017	R 100 000	100% of the valuation roll implemented on a monthly basis	R 100 000	Yes	None	None	Valuation roll report
DBT015	To enhance revenue and to ensure financial viability and sustainability.	Implementation Indigent	Percentage of households earning less than R1100 per month with access to free basic services	0	100% of households earning less than R1100 per month with access to free basic services by 30 June 2017	In house	100% of households earning less than R1100 per month with access to free basic services	In house	Yes	None saga	None	Indigent report

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OFFICE OF THE MUNICIPAL MANAGER

The office of the municipal manager's overall performance for 2016/2017 financial year is 59% achievement. The department managed to achieve 19 targets out of the 32 planned targets, as compared to 50% achieved in 2015/2016 financial year out of 32 planned targets 16 targets was achieved

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
IDP												
MM001	To deepen democracy and strengthen democratic institutions through active public participation	Development and approval of IDP	Number of developed and adopted by Council	1 IDP developed and adopted by Council	1 IDP developed and adopted by Council by 30 June 2017	In house	1 IDP developed and adopted by Council	In house	Yes	None	None	Council resolution and IDP
MM002	To deepen democracy and strengthen democratic institutions through active public participation	IDP and Budget Indaba	Number of IDP and Budget Indaba meetings held	1 IDP and Budget Indaba held	1 IDP and Budget Indaba held by 30 June 2017	In house	1 IDP and Budget Indaba held	In house	Yes	None	None	Attendance register and report
PERFORMANCE MANAGEMENT SYSTEM												

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM003	To deepen democracy and strengthen democratic institutions through active public participation	2015/2016 Annual Report to AG	Number of annual reports compiled and submitted to the office of the Auditor General	2014/2015 Annual Report	1 2015/2016 Annual Report compiled and submitted to the office of the Auditor General by 31 August 2016	In house	1 2015/2016 Annual Report compiled and submitted to the office of the Auditor General	In house	Yes	None	None	Acknowledgement letter
MM004	To deepen democracy and strengthen democratic institutions through active public participation	2015/2016 Annual Report to Council	Number of Annual reports tabled before Council	2014/2015 Approved annual report	1 2015/2016 Annual report tabled before council by 31 January 2017	In house	1 2015/2016 Annual report tabled before council	In house	Yes	None	None	Council resolution; proof of submission to NT,PT, COGTA and AG; and Annual report
MM005	To deepen democracy and strengthen democratic institutions through active public participation	Mid-year budget and performance assessments	Number of Mid-year budget and performance assessments conducted and submitted to the Executive	Mid-year budget and performance assessments	1 Mid-year budget and performance assessment conducted and submitted to the Executive Mayor, National	In house	1 Mid-year budget and performance assessment conducted and	In house	Yes	None	None	Council resolution, proof of submission to NT &PT, and report

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
			Mayor, National Treasury and Provincial Treasury		Treasury and Provincial Treasury by 25 January 2017		submitted to the Executive Mayor, National Treasury and Provincial Treasury					
MM006	To deepen democracy and strengthen democratic institutions through active public participation	Midyear budget and Performance Assessments tabled before Council	Number of Mid-year budgets and performance assessments reports tabled before Council	Approved Mid-year budget and performance assessment	1 Mid-year budget and Performance Assessment report tabled before Council by 31 January 2017	In house	1 Mid-year budget and Performance Assessment report tabled before Council	In house	Yes	None	None	Council resolution
MM007	To deepen democracy and strengthen democratic institutions through active public participation	Performance Management System Policy Framework	Number of reviewed and adopted 2017/2018 PMS Policy Framework and action plan	Reviewed and adopted 2015/2016 PMS Policy Framework	1 Reviewed and adopted 2017/2018 PMS Policy Framework and action plan by 30 June 2017	In house	1 Reviewed 2017/2018 PMS Policy Framework and action plan but not adopted	In house	No	Special Council was held in June for Budget	PMS policy to be submitted in Council sitting to be held in July	Council resolution and policy

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM008	To deepen democracy and strengthen democratic institutions through active public participation	Quarterly performance reports	Number of performance reports submitted to Internal Audit and Executive Mayor per annum	4 Performance reports	4 Performance reports submitted to Internal Audit Unit and the Executive Mayor by 30 June 2017	In house	4 Performance reports submitted to Internal Audit Unit and the Executive Mayor	In house	Yes	None	None	Performance reports
MM009	To deepen democracy and strengthen democratic institutions through active public participation	Submission of SDBIP to Executive Mayor	Number of SDBIP's submitted to the Executive Mayor within 14 days after the approval of the budget for consideration	2015/2016 SDBIP	1 2017/2018 SDBIP submitted to the Executive Mayor within 14 days after the approval of the budget for consideration by 30 June 2017	In house	1 2017/2018 SDBIP submitted to the Executive Mayor within 14 days after the approval of the budget for consideration but in July	In house	No	The budget was approved on the 27 June 2017 which delay the process of the approval of SDBIP in June hence it was approved on the 25 of July 2017	The budget must be approved in May so that it allows the process of SDBIP to run in June so that it can be approved before the start of the new financial year	Approved and signed SDBIP
MM010	To deepen democracy and strengthen democratic institutions	Service Delivery and Budget Implementation	Number of 2017/2018 SDBIP's approved by the Executive	2015/2016 SDBIP	1 2017/2018 SDBIP's approved by the Executive Mayor within	In house	1 2017/2018 SDBIP's approved by the Executive	In house	No	The budget was approved on the 27 June 2017 which delay	The budget must be approved in May so that it allows the process of	Approved and signed SDBIP

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	through active public participation	Plan	Mayor within 28 day after the approval of the budget		28 day after the approval of the budget by 30 June 2017		Mayor within 28 day after the approval of the budget but in July			the process of the approval of SDBIP in June hence it was approved on the 25 of July 2017	SDBIP to run in June so that it can be approved before the start of the new financial year	
MM011	To deepen democracy and strengthen democratic institutions through active public participation	Performance Agreements	Number of signed performance agreements for section 56 Managers and Municipal Manager	4 Signed performance agreements	5 Signed performance agreements for section 56 Managers and Municipal Manager by 30 July 2016	In house	5 Signed performance agreements for section 56 Managers and Municipal Manager	In house	Yes	None	None	Signed performance agreements
MM012	To deepen democracy and strengthen democratic institutions through active public participation	Performance Assessments	Number of performance assessments conducted for section 56 Managers and Municipal Manager	2 Performance assessments conducted	4 Performance assessments conducted by 30 June 2017	In house	1 Performance assessments conducted	In house	No	Staff shortage and too much work load for PMS manager	2 experienced coordinators to be hired	Performance assessment report

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
INTERNAL AUDIT												
MM013	To deepen democracy and strengthen democratic institutions through active public participation	Audit Plan	Number of Audit Plans tabled before the Audit Committee for approval (Three-year rolling and annual operational plan)		1 Audit Plan tabled before the Audit Committee for approval by 30 June 2017	In house	1 Audit Plan tabled before the Audit Committee for approval	In-house	Yes	None	None	Approved Audit plan and minutes of the AC meeting
MM014	To deepen democracy and strengthen democratic institutions through active public participation	Internal Audit Reports	Number of internal audit reports submitted to the Audit Committee	4 Internal Audit reports submitted to the Audit Committee	4 Internal Audit reports submitted to the Audit Committee by 30 June 2017	In house	4 Internal Audit reports submitted to the Audit Committee	In-house	Yes	None	None	Quarterly audit reports presented to the AC and AC minutes
MM015	To deepen democracy and strengthen democratic institutions through	Audit Charter Workshops	Number of Audit charter workshops conducted	2 Audit charter workshops conducted	2 Audit charter workshops conducted by 30 June 2017	In house	2 Audit charter workshops conducted	In house	Yes	None	None	Attendance registers

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	active public participation											
MM016	To deepen democracy and strengthen democratic institutions through active public participation	Audit Committee Meetings	Number of Audit Committee meetings held	4 Audit Committee meetings held	4 Audit Committee meetings held by 30 June 2017	R143 219	4 audit committee meeting held	R139 373.48	Yes	None	None	Attendance registers and minutes
MM017	To deepen democracy and strengthen democratic institutions through active public participation	Audit Committee Reports	Number of Audit Committee reports submitted to Council	2 Audit Committee reports submitted to Council	4 Audit Committee reports submitted to Council by 30 June 2017	In house	2 Audit Committee reports submitted to Council	In-house	No	Reports were parked as the agenda was big.	To be tabled to the next Council meeting scheduled 25 October 2017	AC Reports, Council resolution
OFFICE OF THE SPEAKER												
MM018	To deepen democracy and strengthen democratic institutions	Ward Committee Meetings	Number of ward committee meetings held	384 meeting held	320 meetings held by 30 June 2017	In house	253 meetings held	In house	No	The term of ward committees end in July, August	Program approved by Council was ending on	Attendance register

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	through active public participation									submitted item to launch new ward committee members	the 27 September but the ward committee meeting was postpone to start by November 2016	
MM020	To deepen democracy and strengthen democratic institutions through active public participation	Workshops for councillors and ward committee members	Number of workshops conducted for Councillors and Ward Committee members	1 Workshop programme conducted for ward committee members and councillors	1 Workshop programme conducted for ward committee members and councillors by 30 June 2017	In house	2 Workshop programme conducted for ward committee members and councillors	In house	Yes	None	None	Attendance register
MM021	To deepen democracy and strengthen democratic institutions through active public participation	Mayoral Outreach Meetings	Number of Mayoral outreach meetings conducted	82 Mayoral outreach meetings conducted	24 Mayoral outreach meetings conducted by 30 June 2017	In house	28 Mayoral outreach meetings conducted	In house	Yes	None	None	Report and attendance registers

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
YOUTH DEVELOPMENT												
MM023	To deepen democracy and strengthen democratic institutions through active public participation	Youth Outreaches	Number of youth outreach meetings/seminars conducted	2 youth outreach meetings/seminars conducted	2 Youth outreach meetings/seminars conducted by 30 June 2017	In house	2 Youth outreach meetings/ seminars conducted	In house	Yes	None	None	Attendance register
MM024	To deepen democracy and strengthen democratic institutions through active public participation	Career Expo	Number of Career Expo's held	1 Career Expo held	1 Career Expo held by 30 June 2017	In house	0	In house	No	On the targeted dates Sadtu went on strike	To be held during this financial year 2017/18	Attendance register and reports
MM025	To deepen democracy and strengthen democratic institutions through active public participation	Integrated Youth Development Strategy	Number of Intergraded Youth Development Strategies reviewed	1 Reviewed Intergraded youth Development strategy	1 Reviewed Intergraded youth Development strategy by 30 June 2017	In house	1 Reviewed Intergraded youth Development strategy	In house	Yes	None	None	Approved integrated youth Development Strategy and council resolution

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
RISK MANAGEMENT												
MM026	To deepen democracy and strengthen democratic institutions through active public participation	Risk Management Reports	Number of quarterly Risk Management reports submitted to RMC and AC	3 Risk Management reports submitted to RMC and AC	4 Risk Management reports submitted to RMC and AC by 30 June 2017	In house	4 Risk Management reports submitted to RMC and AC	In house	Yes	None	None	Quarterly Risk Management Reports and Attendance register
MM027	To deepen democracy and strengthen democratic institutions through active public participation	Compliance Reports	Number of quarterly compliance reports submitted to RMC	3 Compliance reports submitted to RMC	4 Compliance reports submitted to RMC by 30 June 2017	In house	4 Compliance reports submitted to RMC	In house	Yes	None	None	4 Quarterly compliance reports
MM028	To deepen democracy and strengthen democratic institutions through active public participation	Risk Register	Number Risk Registers developed and adopted by Council	1 Risk Register developed and adopted by Council	1 Risk Register developed and adopted by Council by 30 June 2017	In house	1 Risk Register developed but no council resolution attached	In house	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Risk register and Council Resolution

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM029	To deepen democracy and strengthen democratic institutions through active public participation	Risk Management Committee Meetings	Number of risk management committee meetings conducted	3 Risk management committee meetings conducted	4 Risk management committee meetings conducted by 30 June 2017	R106 600	3 Risk management committee meetings conducted	117664	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Attendance register, minutes
MM030	To deepen democracy and strengthen democratic institutions through active public participation	Anti-fraud and corruption awareness campaign	Number of anti-fraud and corruption awareness campaign conducted	1 Anti-fraud and corruption awareness campaign conducted	2 Anti-fraud and corruption awareness campaign conducted by 30 June 2017	In house	1 Anti-fraud and corruption awareness campaign conducted	In house	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Attendance register
COMMUNICATION												
MM031	To deepen democracy and strengthen democratic institutions through active public participation	Communication Strategy	Number of Reviewed and Approved Communication Strategies	0	1 Reviewed and Approved Communication Strategy by 30 June 2017	In house	Draft Communication Strategy	In house	No	The document was going through the alignment process with the National and Provincial Communica	To be adopted by Council	Approved Communication Strategy and council resolution

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/2016	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
										tion Strategy		
MM032	To deepen democracy and strengthen democratic institutions through active public participation	Media Engagement Sessions	Number of Media Engagement Sessions conducted	0	2 media engagement sessions conducted by 30 June 2017	In house	1 media engagement sessions conducted	In house	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Attendance register Photos
MM033	To deepen democracy and strengthen democratic institutions through active public participation	Media Statements	Number Media statement produced	4	4 Media statements produced by 30 June 2017	In house	3 Media statements produced	In house	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Media statements
MM034	To deepen democracy and strengthen democratic institutions through active public participation	Presidential Hotline reports	Number of presidential hotline reports submitted to the Municipal Manager	1	4 presidential hotline reports submitted to the Municipal Manager by 30 June 2017	In house	4 presidential hotline reports submitted to the Municipal Manager	In house	Yes	None	None	4 Presidential hotline reports

KPA: LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT

The department of local economic development overall performance for 2016/2017 financial year is 89% achievement. The department managed to achieve 08 targets out of the 09 planned targets, as compared to 80% achieved in 2015/2016 financial year out of 09 planned targets 06 targets was achieved.

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/16	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
LED001	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	SMME and Small Business Training	Number of SMMEs trained on Business Management Skills	16 SMMEs trained	20 SMMEs trained by 30 June 2017	In house	31 SMMEs trained	In house	Yes	None	None	Attendance registers and reports
LED002	To promote local economic development and growth through the	LED outreach meetings	Number of LED outreach conducted (Mass economic opportunitie	3 LED Outreach meetings conducted	4 LED Outreaches by 30 conducted June 2017	In house	4 LED Outreaches by 30 conducted	In house	Yes	None	None	Attendance register and reports

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/16	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	identification and facilitation of economic opportunities, tourism and mining.		s)									
LED003	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	Cooperatives development	Number of cooperative project meetings held	4 Cooperative projects meetings held	4 Cooperative project meetings held by 30 June 2017	In house	4 Cooperative project meetings held	In house	Yes	None	None	Minutes and attendance register
LED004	To promote local economic development and growth through the identification and facilitation	Moloto rail corridor stakeholder engagements	Number of stakeholder engagement meetings held on Moloto rail corridor	2 Stakeholder engagement meetings held	2 Meetings held by 30 June 2017	In house	2 Meetings held	In house	Yes	None	None	Reports and attendance register

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/16	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	of economic opportunities, tourism and mining.											
LED005	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	LED forum meetings	Number of LED forum meetings held	4 LED forum meetings held	4 LED forum meetings held by 30 June 2017	In house	4 LED forum meetings held	In house	Yes	None	None	Minutes and attendance register
LED006	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism	LED forum reports	Number of LED forum reports submitted to Council	1 LED forum reports submitted	2 LED forum reports submitted to Council by 30 June 2017	In house	2 LED forum reports submitted to Council	In house	Yes	None	None	Reports and Council resolution

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/16	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	and mining.											
LED007	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	Big Business and SMMEs engagement meetings to discuss employment opportunities within the Municipality	Number of big business and SMME's engagement meetings held	2 Meetings with Big Business and SMMEs held	2 big business and SMME's engagement meetings held by 30 June 2017	In house	2 big business and SMME's engagement meetings held	In house	Yes	Poor attendance by businesses	Arrange meetings midmonth as they are busy month end	Minutes and attendance register
LED008	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	Assessment of Cooperatives	Number assessments conducted on cooperatives	2 Assessments conducted	2 Assessments conducted on cooperatives by 30 June 2017	In house	2 Assessments conducted on cooperatives	In house	Yes	None	None	Reports and attendance register

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2015/16	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
LED009	To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.	Moloto Rail Corridor local reference committee meetings	Number of Local Reference Committee meetings held	4 Local Reference Committee meetings	4 Local Reference Committee meetings held by 30 June 2017	In house	4 Local Reference Committee meetings held	In house	No	The target was amended to not achieve due to lack of evidence	Evidence to support actual achieved must be provided	Minutes and attendance register

3.24 FINANCE

AUDIT COMMITTEE ANNUAL REPORT 2016/17

We are pleased to present our report for the financial year ended 30 June 2017.

1. Audit Committee Responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166 of the municipal finance management act and circular 65 issued by national treasury. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

2. Audit Committee Members And Attendance

The audit committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Surname And Initials	Position	Attendance
SAB Ngobeni	Ac Chairperson	06 Of 06
BTA Matabane	Ac Member	06 Of 06
Z Nzimande	Ac Member	05 Of 06

3. The Effectiveness of Internal Control

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing qualification issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the auditor-general. However, the audit committee notes management's commitment and action plan to correct deficiencies.

4. In-Year Management and Monthly/Quarterly Report

The municipality does not have an effective monthly and quarterly reporting system to the council as required by the municipal finance management act (mfma). Furthermore, there is a room for improvement in so far as monitoring and reviews of financial and performance information on a periodically.

5. Performance Management

the ac reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously.

6. **Risk Management**

The ac is of the opinion that municipality's risk management appears to be effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has a sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. However, there is a room for improvement in so far as fraud prevention.

7. **Compliance With Laws And Regulations**

A number of non-compliance with the enabling laws and regulations were revealed by audit committee, AGSA, and internal audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

8. **Internal Audit**

The AC is satisfied with the effectiveness of internal audit, and commend management and council for capacitating this unit. The above conclusion is based on:

- timeous approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the internal audit unit;
- Satisfactorily implementation of the approved the annual internal audit plan and all major changes to the plan.
- There were no unjustified restrictions or limitations on work of the internal audit.
- compliance with the iia's international standards for the professional practice by internal auditing unit
- Partial implementation of remedial action plan on internal audit findings by management.

9. **External Audit**

The ac did review the auditor-general's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2016/17 financial year.

10. **Progress In Implementation Of AGSA Findings From Prior Year**

36 of 90 were implemented by management at the time of this report. There is a room for improvement in this regard and ac recommended to municipality to prioritise the implementation of recommendations by AGSA.

11. Progress On Implementations Of Internal Audit Recommendations

37 of 76 internal audit recommendations were implemented by management satisfactorily. There is a room for improvement in this regard and thus, ac recommended to municipality to prioritise the implementation of recommendations by internal audit.

12. Implementations Of Audit Committee Recommendations By Management

51 of 87 audit committee recommendations by management were implemented satisfactorily. There is a room for improvement in this regard and thus, ac recommended to municipality to fastrack the implementation of recommendations by audit committee.

13. Conclusion

The audit committee wishes to acknowledge the commitment from council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the executive mayor for his support, councillors, senior management for their efforts and internal audit for their contribution.

SAB Ngobeni (Mr)
Chairperson of the Audit Committee
Thembisile Hani Local Municipality
20 August 2017

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Thembisile Hani local municipality strives towards the improvement of municipal performance and individual development of municipal employees. Focuses on the methodologies, and achievements, strategic planning, organizational design, leadership development, coaching, diversity, and balance between life and work.
Analysis objectives, structure, policy, human resources and compensation of the municipality.

Thembisile Hani local municipality top structure is as attached **(annexure c)**

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Department	2014/2015	2015/2016	2016/2017	2014/2015	2015/2016	2016/2017	2014/2015	2015/2016	2016/2017	2014/2015	2015/2016	2016/2017
	Total No. Of Post Approved	Total No. Of Post Approved	Total No. Of Post Approved	Number Of Filled Post	Number Of Filled Post	Number Of Filled Post	Number Of Vacant Posts	Number Of Vacant Posts	Number Of Vacant Posts	% Of Vacancy	% Of Vacancy	% Of Vacancy
Political Office	12	14	16	12	14	15	0	0	1	0%	0	6.2%
Municipal Manager	16	19	23	13	18	22	3	1	1	19%	10	8.3%
Corporate Services	38	42	45	33	41	42	5	1	3	13%	2.43	6.6%
Finance	46	35	37	31	34	37	15	1	0	33%	2.8	0%
Sds	238	129	119	138	160	113	100	6	6	42%	4.3	2.52%
Technical	237	167	163	174	123	158	63	7	5	27%	3.8	1.8%
Total	587	406	403	401	390	387	186	16	16	32%	4%	3.9%

Vacancy Rate 2016/2017			
Designations	*Total Approved Posts	*Variances (Total Time That Vacancies Exist Using Fulltime Equivalents)	*Variances (As A Proportion Of Total Posts In Each Category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (Excluding Finance Posts)	2	1	33.3%
Other S57 Managers (Finance Posts)	0	0	0%
Municipal Police	0	0	0%
Fire Fighters	0	0	0%
Senior Management: Levels 13-15 (Excluding Finance Posts)	19	0	0%
Senior Management: Levels 13-15 (Finance Posts)	5	0	0%
Highly Skilled Supervision: Levels 9-12 (Excluding Finance Posts)	39	1	2.6%
Highly Skilled Supervision: Levels 9-12 (Finance Posts)	7	0	0%
Total	71	1	1.4%

Turn-Over Rate

Details	Total Appointments As Of Beginning Of Financial Year No.	Terminations During The Financial Year No.	Turn-Over Rate*
2014/2015	7	12	171%
2015/2016	18	8	44%
2016/2017	18	9	50%
* Divide The Number Of Employees Who Have Left The Organisation Within A Year, By Total Number Of Employees Who Occupied Posts At The Beginning Of The Year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 16 or 3.9%. Critical positions are filled from time to time.

The status of the section 57 managers is as follows:-

Designation	Status
Municipal Manager	Filled
CFO	Filled
Manager : Technical Services	Filled
Manager :Social Development Services	Vacant
Manager :Corporate	Filled

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 387 employees. The municipality has approved policies on which employees are inducted.

4.2 POLICIES

Hr Policies And Plans For 2015/2016					Hr Policies And Plans For 2016/2017		
	Name Of Policy	Completed %	Reviewed %	Date Adopted By Council Or Comment On Failure To Adopt	Completed	Reviewed	Date Adopted By Council Or Comment On Failure To Adopt
1	Code Of Conduct For Employees	100%	100%	1-May-2007	100%	100%	1-May-2007
2	Delegations, Authorisation & Responsibility	100%	100%	5-August 2011	100%	100%	5-August 2011
3	Disciplinary Code And Procedures	100%	100%	1-May-07	100%	100%	1-May-07
4	Essential Services	100%	100%	1-May-2007	100%	100%	1-May-2007
5	Employment Equity	100%	100%	1-Jul-2011	100%	100%	25 July 2017
6	Grievance Procedures	100%	100%	1-May-2007	100%	100%	1-May-2007
7	Human Resource And Development	100%	100%	5-Aug-2011	100%	100%	25 July 2017
8	Information Technology	100%	100%	10-Jul-2012	100%	100%	25 July 2017
9	Occupational Health And Safety	100%	100%	31 May 2013	100%	100%	October 2015
10	Official Housing	100%	100%	1-May-2007	100%	100%	1-May-2007
11	Official Journeys	100%	100%	31may2013	100%	100%	31may2013

12	Official Working Hours And Overtime	100%	100%	5-Aug-2011	100%	100%	July 2017
13	Organisational Rights	100%	100%	1-May-2007	100%	100%	1-May-2007
14	Performance Management And Development	100%	100%	31 January 2013	100%	100%	25 July 2017
15	Recruitment, Selection And Appointments	100%	100%	5-Aug-2011	100%	100%	25 July 2017
16	Remuneration Scales And Allowances	100%	100%	2-Nov-2011	100%	100%	2-Nov-2011
17	Sexual Harassment	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
18	Skills Development	100%	100%	5-Aug-2011	100%	100%	25 July 2017
19	Smoking	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
20	Other: Retention Policy	100%	100%	31 May 2013	100%	100%	31 May 2013
21	Employee Assistance Programme Policy	100%		October 2015	100%		October 2015
22	Hiv/Aids Policy	100%		October 2015	100%		October 2015
23	Succession Planning And Career Pathing	100%	100%	25 July 2017	100%	100%	25 July 2017
24	Fleet Management	100%	100%	25 July 2017	100%	100%	25 July 2017
25	Leave Policy And Procedure Manual	100%	100%	25 July 2017	100%	100%	25 July 2017
Use Name Of Local Policies If Different From Above And At Any Other Hr Policies Not Listed.							

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number And Cost Of Injuries On Duty					
Type Of Injury	**Injury Leave Taken** **Days**	**Employees Using Injury Leave** **No.**	**Proportion Employees Using Sick Leave** **%**	**Average Injury Leave Per Employee** **Days**	**Total Estimated Cont** **R'000**
Required Basic Medical Attention Only	5	05	1	1	0
Temporary Total Disablement	0	0	0	0	0
Permanent Disablement	0	0	0	0	0
Fatal					
Total	5	05	1	1	0

COMMENT ON INJURY AND SICK LEAVE

The municipality has experience some injuries which have been dealt with in terms of applicable legislation as well as sick leave.

4.4 PERFORMANCE REWARDS

No performance rewards were issued during the 2016/2017 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

As the msa 2000 section 68 prescribes that it is requirement that municipalities need to develop their own human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Currently in compliance to the above statement Thembisile Hani local municipality has a work skills plan that is approved to ensure that all employees are capacitated/empowered with the necessary information on training and development, which then provides all incumbents access to relevant prioritized training interventions that are needs driven and are aligned to the business objectives by optimally developing the potential of employees.

4.5 SKILLS DEVELOPMENT AND TRAINING

Progress report about the enforcement of the minimum competency regulations

BACKGROUND

Thembisile Hani lm made a formal request to not to be considered for a special merit case with regards to the minimum competency standards. The merit was granted to the municipality in November 2012.

PROGRESS

Below, is a list of assistant managers and officials below that level that are attending the municipal finance management programme (MFMP) (NQF level 5) with the University of Pretoria: viz;

1. Ms. Ntuli Fna
2. Ms. Matladi N
3. Ms. Wright SE
4. Ms. Sekhukhune N
5. Ms. Legodi M
6. Ms. Maseko JS
7. Mr. Diphofa HB
8. Mr. Ntimane TM
9. Mr. Baloyi T
10. Ms. Baloyi-Mdaka L
11. Ms. Moripe KS
12. Mr. Makhubele R.
13. Mr. A Malope
14. Ms N Tshabalala
15. Mr. KC Mokoena
16. Ms. B Mashao
17. Nkosi ON

The Following Councillors Are also on the MFMP (NQF level 6) three of which are enrolled with the University of Pretoria, and the fourth on the list is enrolled with kgolo institute.

1. Cllr. Moseri PP
2. Cllr. Dube SS
3. Cllr. Mtsweni LX
4. Cllr. Kabini HM

Other interventions

Training interventions are targeted for implementation in the municipal finance management programme for municipal officials (for 12 months)

The budget for 2016/17 WSP is R662 280.00 and the expenditure is R364 420.73

Comments: discretionary grant: = R147 435.91

Mandatory grant: = R 0.0

Total = R 809 715.91

Financial Competency Development: Progress Report*						
Description	A Total No. Of Officials Employed By Municipality (Regulation 14(4) (A) And (C(	B Total No. Of Officials Employed By Municipal Entities (Regulation 14(4) (A) And (C(	Consolidate Total Of A And B	Consolidated Competency Assessments Completed For A And B (Regulation 14 (4)(B) And (D)	Consolidated No. Of Officials Whose Performance Agreements Comply With Regulation 16 (Regulation 14 (4) (F)	Consolidated No. Of Officials That Meets Prescribed Competency Levels (Regulation 14 (4) (E)
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Snr. Managers	3	0	3	3	3	3
Any Other Financial Officials	10	0	10	0	0	10
Supply Chain Management Officials						
Heads Of Supply Chain In Management Units	1	0	1	0	0	1
Supply Chain Management Senior	1	0	1	0	0	1

Managers						
Total	42	0	42	5	5	11
* This Is A Statutory Report Under National Treasury: Local Government Mfma Competency Regulations (June 2016)						

Chapter 4

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the Thembisile Hani local municipality. as it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel is employed to meet the mandate of the municipality in service delivery to the community as well as obtaining its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feels the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the Thembisile Hani local municipality must be recognized. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of utmost importance to increase the efficiency and thus output of the workforce. There is still a way to go in implementing necessary measures and controls with the necessary buy-in of the employees.

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE

The expenditure on employment costs at the thembisile Hani local municipality seems to be stable and is in line with other similar municipalities. The financial interests of the executive mayor, councillors and senior management, as required by pm regulations 805 of 2006 are set out in **APPENDIX** J.

- No employee whose salaries were increased due to their position being upgraded.
- no employee whose salary level exceed the grade determined by job evaluation
- No employee not appointed to posts not approved.

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of four components:
Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Cash Flow Management and Investments
Component D: Other Financial Matters

The municipality on its annual budget catered for any inflationary related surprises, and it also had a plan to negotiate with its creditors. Also the demand management unit within the scm unit was proactive in addressing all this. There is no expensive consultancy arrangement that can be singled out however the municipality was smart in handling them and was satisfied with the amounts paid to them.

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2015/2016	Current Year 2016/2017			2016/2017 Variance To Actual	
R Thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual Outcome	Actual Outcome As % Of Final Budget	Actual Outcome As % Of Original Budget
Financial Performance						
Property Rates	33 184	41 379 809	41 592 130	40 725 577	98.42%	97.92%
Service Charges	102 776	134 950 292	135 039 162	154 971 349	114.83%	114.76%
Investment Revenue	10 066	2 582 156	3 395 588	7 360 762	285.06%	216.77%
Transfers Recognised – Operational	390 998	340 061 200	346 186 000	415 889 981	122.30%	120.13%
Other Own Revenue	40 449	107 878 191	47 919 702	75 893 754	70.35%	158.38%
Total Revenue (Excluding Capital Transfers And Contributions)	577 473	626 851 648	574 132 540	694 841 423	110.85%	121.02%
Employee Costs	108 510	116 373 700	116 373 700	111 186 174	95.54%	95.54%
Remuneration Of Councillors	20 009	21 575 913	21 575 913	21 045 778	97.54%	97.54%
Depreciation & Asset Impairment	133 531	160 966 106	160 966 106	82 552 516	51.28%	51.28%
Finance Charges	396	0	0	3 611	0%	0%
Materials And Bulk Purchases	119 250	129 113 000	129 113 000	115 443 818	89.41%	89.41%
Transfers And Grants	57 467	42 414 983	42 414 983	108 332 949	255.41%	255.41%
Other Expenditure	298 267	139 417 442	279 072 066	265 322 652	190.31%	95.07%
Total Expenditure	(737 430)	(609 861 144)	(749 515 768)	(703 887 498)	115.42%	93.91%
Surplus/(Deficit)	(159 957)	16 990 504	-175 383 228	-9 046 075		
Transfers Recognised – Capital	125 087	117 504 000	117 504 000	117 504 000	100%	100.%
Contributions Recognised – Capital & Contributed Assets	–	–		117 504 000	100%	100%
Surplus/(Deficit) After Capital Transfers & Contributions	(34 870)	134 494 504	-57 879 228	108 457 925		
Share Of Surplus/ (Deficit) Of Associate	–	–	–	–	-	-
Surplus/(Deficit) For The Year	(34 870)	134 494 504	-57 879 228)	104 966 126		

Capital Expenditure & Funds Sources						
Capital Expenditure	125 087	117 504 000	117 504 0000	117 504 000	100%	100%
Transfers Recognised – Capital	125 087	117 504 000	117 504 000	117 504 000	100%	100%
Public Contributions & Donations	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–
Internally Generated Funds	–	–	–	–	–	–
Total Sources Of Capital Funds	125 087	117 504 000	117 504 000	117 504 000	100%	100%
Financial Position						
Total Current Assets	198 278	175 104 051	175 104 051	177 771 173	1.50%	1.50%
Total Non Current Assets	1 882 293	1 702 581 650	1 702 581 650	1 772 665 373	3.95%	1.50%
Total Current Liabilities	112 911	113 217 870	113 217 870	69 712 321	-62.41%	-62.41%
Total Non Current Liabilities	22 673	22 673 173	22 673 173	24 025 715	5.63%	5.63%
Community Wealth/Equity	1 944 985	1 737 408 438	1 737 408 438	1 630 176 163	-6.58%	-6.58%
Cash Flows						
Net Cash From (Used) Operating	94 603	201 745 880	201 745 880	307 791 898	34.45%	34.45%
Net Cash From (Used) Investing	(112 212)	(219 363 172)	(219 363 172)	(307 038 477))	28.56%	28.56%
Net Cash From (Used) Financing	–	–	–	–		
Cash/Cash Equivalents At The Year End	68 832	68 832 926	68 832 926	69 586 376	1.08%	1.08%

COMMENT ON OPERATING TRANSFERS AND GRANTS

Operational grants for the financial year under review from national government is on average 100% received, with the equitable share grant spending at 100%.

5.2 GRANTS

Grant Performance						
R						
Description	2015/2016	201617			2015/2016variance	
	Actual	Budget	Adjustments Budget	Final Adjusted Budget	Original Budget (%)	Adjustments Budget (%)
_						
<u>Operating Transfers And Grants</u>						
National Government:	308 361 000	453 690 000	463 690 000	533 393 981	117.57	115.03%
Equitable Share	288 644 000	313 317 000	313 317 000	313 317 000	100%	100%
Municipal Systems Improvement	0	0	0	0	0%	0%
Department Of Water Affairs		19 000 000	19 000 000	29 000 000	152.63%	152.63%
Levy Replacement	0	0	0	0	0	0%
Other Transfers/Grants [Insert Description]	19 717 000	121 373 000	131 373 000	191 076 981	0%	0%
Provincial Government:	**0**	**0**	**0**		**0%**	**0%**
Health Subsidy	0	0	0	0	0%	0%
Housing	0	0	0	0	0%	0%
Ambulance Subsidy	0	0	0	0	0%	0%
Sports And Recreation	0	0	0	0	0%	0%
Other Transfers/Grants [Insert Description]	0	0	0	0	0%	0%
District Municipality:	**0**	**0**	**0**	**0**	**0%**	**0%**
Nnkangala District Municipalirу	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Other Grant Providers:	**0**	**0**	**0**	**0**	**0%**	**0%**
[Insert Description]	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Total Operating Transfers And Grants	308 361 000	453 690 000	463 690 000	533 393 981	117.57%	115.03%

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in thembisile hani local municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the municipal's property, plant and equipment and to make managers aware of their responsibilities in regard of property, plant and equipment.

COMMENT ON ASSET MANAGEMENT

The above projects were driven by the pmu unit. the grants are received from government to improve infrastructure assets in various areas for better living conditions these assets are grant funded and budget were approved for these capital projects and for audit purposes these assets were signed off with a complete certificate that were obtain from different contractors before these projects could have been signed off for completeness for audit purposes.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Year	Liquidity Ratio
2015/2016	1.7
2016/2017	2.6

COMMENT ON LIQUIDITY RATIO

Year	Outstanding Service Debtor To Revenue
2014/2015	11 days
2015/2016	457 days
2016/2017	1 675 days

COMMENT ON OUTSTANDING SERVICE DEBTOR TO REVENUE

Debtors as extension beyond 30 days poses a cash flow risk in the table above the extended payment are beyond acceptability. The debt coverage ratio is not stable during the last two financial periods as the result of non-stable operating income and low collection of own income.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Thembisile hani local municipality's capital budget is mainly funded from the mig and internal funds. The biggest mig funded project was on the Luthuli water reticulation

5.5 CAPITAL EXPENDITURE

2016/2017	% Of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	100%	117 504 000 000	117 504 000	117 504 000
Operating Expenditure	98.22%	609 861 144	703 887 498	703 887 498
Total Expenditure	**99.30%**	**727 365 144**	**821 391 498**	**821 391 498**

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2014/-2015 - 2015/2016 R						
Details	2014/2015	2016/2017				
	Audited	Original Budget (Ob)	Adjustment Budget	Actual Expenditure	Adjust-Ment To Ob Variance (%)	Actual To Ob Variance (%)
Source Of Finance						
Public Contributions And Donations	0	0	0	0	0	0
Grants And Subsidies	119 000	117 504 000	1117 504 000	117 504 000	100%	100%
Other	0	0	0	0	0	0
Total	119 000	117 504 000	117 504 000	117 504 000	100%	100%
Percentage Of Finance						
External Loans	0.0%	0.0%	0.0%	0.0%	0	0
Public Contributions And Donations	0.0%	0.0%	0.0%	0.0%	0	0
Grants And Subsidies	100.0%	100.0%	100%	100%	0	0
Other	0	0	0	0	0	0

Capital Expenditure						
Water And Sanitation	109 169 275	109 169 275	100 320 405	64 921 289	65%	59%
Electricity	2 081 228.00	2 081 228.00	6 734 293	6 941 492	103 %	334%
Housing	0	0	0	0	0	0
Roads And Storm Water	0	0	3 902 412	3 149 275	81%	-100%
Other	0	0	776 122	776 122	100%	-100%
Total	**111 250 503**	**111 250 503**	**111 736 232**	**75 788 178**	**68%**	**68%**
Percentage Of Expenditure						
Water And Sanitation	98%	98%	90%	86%	58%	58%
Electricity	2%	2%	6%	9%	6%	6%

Housing	0	0	0	0	0	0
Roads And Storm Water	0	0	3%	4%	3%	3%
Other	0	0	1%	1%	1%	1%

COMMENT ON SOURCES OF FUNDING

Grant funded projects were in line with the mig implementation plan.

5.7 capital spending on 5 largest projects

Capital Expenditure Of 5 Largest Projects* R			
Name Of Project	Current Year		
	Original Budget	Adjustment Budget	Actual Expenditure
A – Kwamhlanga Reseviors	40 290 000	40 290 000	0.00
B – Kwaggafontein Water Scheme	6 000 000	6 000 000	0.00
C – Tweefontein Wwtw	0	8 336 603	6 748 494.85
D – Boekenhouthoek Drilling Of Boreholes	10 600 000	5 725 000	5 388 413.60
E – Water Reticulation Vlaaglaagte 2	0	6 237 000	5 552 829.4
* Completed Projects With The Highest Capital Expenditure In 2015/2016.			

Name Of Project - A	New Reservoir And Pipeline At Kwamhlanga Reseviors For Phola Park, Mountain View And Moloto Communities – Phase 1
Objective Of Project	To Address The Water Supply Shortages Within The Kwamhlanga, Moloto, Phola Park And Mountain View Areas/ Communities.
Delays	Amount/ Budget Allocated Is Not Fully Committed By The Implementing Agent (Rand Water), And Slow Progress On Site.
Future Challenges	Shortages Of Water In Kwamhlanga, Moloto, Phola Park And Mountain View, Should There Not Be Enough Supply From Rand Water And City Of Tshwane, In Light Of The Persisting Water Shotages In The Country.
Anticipated Citizen Benefits	19 225 Households To Benefit

Name Of Project - B	Upgrading Of Kwaggafontein Water Scheme
Objective Of Project	To Ensure An Adequate Water Supply To All Residents In The Settlements Of Boekenhouthoek, Machipe And Bundu.
Delays	Change Of Design. Delay In Obtaining Design From Consultants That Were Appointment By Mega. Slow Progress As A Result Of Boulders And Hard Rock That Was Encountered.
Future Challenges	Shortages Of Water In Boekenhouthoek, Machipe And Bundu, Should There Not Be Enough Supply From Rand Water And City Of Tshwane, In Light Of The Persisting Water Shotages In The Country.
Anticipated Citizen Benefits	8 638 Households To Benefit

Chapter 5

Name Of Project - C	Tweefontein K Waste Water Treatment Works
Objective Of Project	To Upgrade The Sewer Networks And Sewage Treatment Capacity Within Thembisile Hani Local Municipality.
Delays	Delay In Obtaining Design From Consultant Contracted By Thlm, And Changes In Design Due To Errors.
Future Challenges	Maintenenance And Population Growth Can Become A Challenge Should Thlm Not Look Into The Capacity Of The Plant Versus The Population In Future, And The Maintenance Of The Plant Thereof.
Anticipated Citizen Benefits	1 066 Households To Benefit

Name Of Project - D	Drilling And Equipping Of Boreholes In Boekenhouthoek
Objective Of Project	To Improve The Equitable Distribution And Management Of Significant Water Supply In The Area Through The Drilling And Equipping Of Boreholes, As A Result Of Water Supply Challenges.
Delays	Slow Progress On Site From The Contractor.
Future Challenges	Shortages Of Water Should More Infrastructure Not Be Constructed In Line With Thembisile Hani'growth Rate Of 1.9%.
Anticipated Citizen Benefits	1 595 Households To Benefit

Name Of Project - E	Vlaklaagte No. 2 Water Reticulation – Phase 1
Objective Of Project	To Provide Households With Access To Potable Water
Delays	Delays In The Appointment Of Service Providers For Construction.
Future Challenges	Shortages Of Water Should More Infrastructure Not Be Constructed In Line With Thembisile Hani'growth Rate Of 1.9%.
Anticipated Citizen Benefits	150 Households To Benefit

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The municipal grants expenditure 2015/16 service delivery backlogs are explained more on the chapter 3 under basic service delivery.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

Thembisile Hani local municipality's cash flow is daily monitored by the finance management section. There is also monthly reporting to the eecutive mayor in the form of section 71 reports and quarterly reports to council.

5.9 CASH FLOW

Description	2016/17				2016/17
R Thousand	**Original Budget"000**	**Budget Adjustments** (I.T.O. S28)	**Final Adjustments Budget**	**Actual Outcome**	**Audited Outcome**
	1	**2**	**3**	**4**	
Cash Flow From Operating Activities					
Receipts					
Ratepayers And Other	132 549 002	0	132 549 002	135 549 002	135 549 002
Government - Operating	336 186 000	10 000 000	463 690 000	463 690 000	463 690 000
Government - Capital	117 504 000	0	117 504 000	117 504 000	117 504 000
Interest	23 622 142	33 574 360	9 952 218	48 729 020	48 729 020
Payments					
Suppliers And Employees	(609 861 144)	(94 026 354)	(703 887 498)	(703 887 498)	(703 887 498)
Finance Charges			–	(3 611)	(3 611)
Transfers And Grants	(39 224 983)	0	(39 224 983) –	(108 928 983)	(108 928 983)
Net Cash From/(Used) Operating Activities	**307 791 898**	**0**	**307 791 898**	**307 791 898**	**307 791 898**
Cash Flows From Investing Activities					
Receipts					
Proceeds On Disposal Of Ppe			–	659 354	659 354
Decrease (Increase) In Non-Current Debtors			–		
Decrease (Increase) Other Non-Current Receivables			–		–
Decrease (Increase) In Non-Current Investments			–		–
Payments					–
Capital Assets	(117 504 000)	0	(117 504 000)	(117 504 000)	(117 504 000)
Net Cash From/(Used) Investing Activities	**(117 504 000)**		**(117 504 000)**	**(117 504 000)**	**((117 504 000)**
Cash Flows From Financing Activities					
Receipts					
Short Term Loans	-	-	–		–
Payments					–

Repayment Of Borrowing			–		
Net Cash From/(Used) Financing Activities	–	–	–	–	–
					–
Net Increase/ (Decrease) In Cash Held	(17 607 292)	0	0	753 451	**753 451**
Cash/Cash Equivalents At The Year Begin:	86 440 218	0	86 440	68 832 925	**68 832 925**
Cash/Cash Equivalents At The Year End:	86 440	0	86 440	69 586 376	**69 586376**

5.10 BORROWING

COMMENT ON BORROWING

No new or old loans were taken up in the financial year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

The annual financial statements have been prepared and presented in accordance with the standard of grap and the preparing and presentation of the grap compliant afs is improving in each and every year.

5.12 SUPPLY CHAIN MANAGEMENT

The council has developed its policy in line with the municipal supply chain management regulations and mfma circulars issued by national treasury. The municipality has developed and established the supplier database. The bid committees were established and are fully functional, namely bid specification committee, bid evaluation committee; and bid adjudication committee. The committees are appointed in tefrms of proper delegation and appointed in terms of legislations. The bid commitees are functioning well.

All members of the bid specification, bid evaluation and bid adjudication committees are delegated in writing by the municipal manager to serve on these respective committees. These delegations areaccepted in writing and record thereof is available. The following persons served on the following respective committees:

Bid specification committee

1. Zephania Nkosi
2. Nkululeko Bhila
3. Pinky Sibiya

Bid Evaluation Committee

1. Dumisani Mahlangu
2. Katlego Mokwena
3. Lydia Sehlako
4. Aminah Aphane
5. Simpiwe Mashiane

Bid Adjudication

1. Bongumusa Sithole
2. Raisibe Morudu
3. Nelson Khubeka
4. Prometheus Mabuza

Supply chain management its fully flashed unit operating with five (5) officials and three officials are meeting minimum competency as prescribed in the mfma competency regulation guidelines. There are currently no challenges with the functioning of bid committees. The municipality has developed the procurement plan on capital project for 2016/2017 financial year, and all procurement requirements are measured against the plan. National Teasury has issued guidelines for municipal competency levels for heads of supply chain management these guidelines have been issued in terms of municipal regulations on minimum competency levels. The assistant managers comply with these minimum competency levels. Supply chain management has staff compliment of five personnel. Currently one accountant is registered for mfmp to meet minimum competency level of managers. There are no councillors serving as members of any bid committees or who participate in the supply chain management processes at thembisile hani local municipality. The scm has policy and procedure manual to address the inefficiencies noted within the procurement system, also the re-alignment with the legal framework and delegation of systems. Matters of emphasis has been raised by auditor general on non – compliance with regulations. However most of audit queries issues raised has been resolved by terminating the contracts with irregularities and normal scm process has already started to appoint service provider. Also the other remedy is to ensure scm staff under continuous training to be in line with new regulation development.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The constitution s188 (1) (b) states that the functions of the auditor-general includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the auditor-general.

COMPONENT A: AUDITOR-GENERAL OPINION 2015/2016

6.1 AUDITOR GENERAL REPORTS 2015/2016

The municipality received a qualified audit opinion for the financial year 2015/2016. in terms of section 133 of the mfma, the municipality must develop an audit action plan to ensure that the objective of a clean audit report is achieved before the government's deadline of 2016. considerable work has been done, and progress made, but the fact that a clean audit is still to be achieved remains a serious objective for the thembisile hani local municipality

Introduction

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages 325 to 374 which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

6. The financial statements were materially misstated, as the municipality did not recognise some of the land it owns, contrary to GRAP 17, *Property, plant and equipment*. Furthermore, buildings was understated as a result of the incorrect calculation of depreciation. The effect on the financial statements was that land and buildings was understated by R92 823 382, the accumulated surplus was understated by R82 932 072, and depreciation was overstated by R9 891 309. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.
7. The municipality did not have adequate systems to properly record assets and maintain accurate records to account for property, plant and equipment in accordance with GRAP 17. Infrastructure assets was overstated by R22 466 323 as a result of the incorrect calculation of depreciation as well as the opening balance. The effect on the financial statements was that infrastructure assets was overstated by R22 466 323, the accumulated surplus was overstated by R10 905 065, and depreciation was overstated R11 561 258. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the additions to infrastructure assets, as the municipality could not provide supporting documents in this regard.
8. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets of R1 881 877 996 disclosed in note 3 to the financial statements.

Commitments

9. The municipality did not have adequate systems to account for commitments in accordance with GRAP 17, *Property, plant and equipment*. Consequently, commitments of R76 620 063 disclosed in note 36 to the financial statements was understated by R41 557 110.

Qualified opinion

10. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

12. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during the year ended 30 June 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Going concern

13. Note 42 to the financial statements indicates that the municipality had a deficit of R34 869 693 for the year ended 30 June 2016. This condition may cast material uncertainty on the municipality's ability to operate as a going concern.

Material losses

14. As disclosed in note 6 to the financial statements, material losses of R67 228 927 (2014-15: R58 394 773) were incurred as a result of water distribution losses, which represented 56% (2014-15: 58,4%) of the total water purchased.

Material impairments

15. As disclosed in note 10 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R563 681 917 (2014-15: R400 047 767), which represented 97,30% (2014-15: 89%) of the total consumer debtors. The contribution to the provision for debt impairment was R163 634 152 (2014-15: R72 272 311).

Additional matter

16. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

17. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. I performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2016:

- Development priority 1: basic service delivery and infrastructure development on pages 130 to 157

20. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following development priority:

- Basic service delivery and infrastructure development

Additional matters

23. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected development priority, I draw attention to the following matters:

Achievement of planned targets

24. Refer to the annual performance report on pages 130 to 157 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for basic service delivery and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

26. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

28. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and (c).
29. Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, contrary to SCM regulation 19(a).

Asset management

30. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

31. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA.
32. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.
33. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Human resources

34. A senior manager directly accountable to the municipal manager did not sign a performance agreement in time, contrary to section 57(2)(a) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Internal control

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.

Leadership

36. Although management had established a formal code of conduct that addressed appropriate ethical and moral behaviour, instances of unauthorised, irregular as well as fruitless and wasteful expenditure still occurred.

37. There were insufficient monitoring controls to ensure the proper implementation of the overall process of the recording, processing and reporting of financial information and the collecting, recording, processing, monitoring and reporting of performance information relating to basic service delivery, as evidenced by the numerous material misstatements identified.

Financial and performance management

38. A proper record management system had still not been adequately implemented to maintain documents and records such as registers and schedules supporting the financial statements as well as information relating to the verification and reporting of actual performance information.

39. The daily and monthly reconciliation of reported financial information was not adequate.

40. The financial statements and the annual performance report contained numerous misstatements that were subsequently corrected. This was mainly due to staff not fully understanding the requirements of the financial reporting framework and performance information.

Governance

41. Although a risk assessment was done, the numerous misstatements identified indicate that the risk assessment was not comprehensive enough to identify deficiencies in internal controls.

42. The internal audit unit assisted management in maintaining efficient and effective controls and by developing recommendations. However, it remains the responsibility of management to implement those recommendations as well as the corrective actions agreed upon by management.

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2016/2017

6.2 AUDITOR GENERAL REPORTS 2016/2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages ... to ..., which comprise separate statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics* for *professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 37 and 38 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Material losses

8. As disclosed in note 5 to the financial statements, material water losses to the amount of R13 534 916 (2015-16: R15 075 116) was incurred which represents 12% (2015-16: 13%) of total water purchased.

   Material impairments

9. As disclosed in note 9 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R751 424 612 (2015-16: R567 569 288), which represented 94% (2015-16: 95%) of the total consumer debtors. The contribution to the provision for debt impairment was R184 979 929 (2015-16: R168 588 499).

Other matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Chapter 6

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priority	Pages in the annual performance report
Development priority (KPA 1) - Basic service delivery	x – x

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priority:

- Development priority (KPA 1) - Basic service delivery

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a significant number of targets.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority (KPA 1) - basic service delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislations are as follows:

Procurement and contract management

26. Awards were made to providers who were in the service of other state institutions or whose directors or principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Financial statements, performance and annual reports

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided.

Assets management

28. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

29. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and the selected development priority presented in the annual performance report that has been specifically reported on in the auditor's report.

31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon

32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I have read the other information included in the draft annual report and have nothing to report in this regard.

34. I have not received the final annual report containing the other information. When I do receive and read this information, if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request the other information to be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

    Financial and performance management

36. The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner.

37. The financial statements and the annual performance report contained numerous misstatements which were subsequently corrected due to lack of proper and timely reviews by management.

38. Monitoring controls were not effective to ensure full compliance with laws and regulations.

Chapter 6

Auditor-General

Mbombela

30 November 2017

AUD TOR-G NERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

Chapter 6

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priority and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.

   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

   - conclude on the appropriateness of accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Thembisile Hani Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.

   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

Chapter 6

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability Documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to parliament and provincial legislatures as prescribed by the constitution. This includes plans, budgets, and in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy Indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in section 121 of the municipal finance management act. Such a report must include annual financial statements as submitted to and approved by the auditor-general.
Approved Budget	The annual financial statements of a municipality as audited by the auditor general and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic Municipal Service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget Year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost Indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution Indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with mcs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (Idp)	Set out municipal goals and development plans.
National Key Performance Areas	• service delivery & infrastructure • local economic development • municipal transformation and institutional development • financial viability and management • good governance and public participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. an indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this pms performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. section 1 of the mfma defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A (I) – LIST OF WARD COUNCILLORS

Ward	Surname & Names	Contact	Physical Address
1	Cllr Amos Mahlangu	082 963 9449	Stand 1849 Block 15 Moloto South
2	Cllr Dipolelo Sinah Mampuru	079 355 5829	Stand No 10693 Rdp Ext 11. Moloto North
3	Cllr Pheneus Doctor Makatu	082 096 7689	Stand No 2585 Block 6 Moloto South
4	Cllr Mitopi Andries Motena	072 244 2785 074 436 1781	Stand No.521 Zakheni
5	Cllr Sipho Koos Ngoma	076 108 0871	Stand 986 Thembalethu, Next To Siyabonga Tavern
6	Cllr Koosvusi Jiyane	078 255 2077 071 623 5848	718 Phola Park
7	Cllr Moses Michael Mahlangu	072 053 2801	Stand No 372 Mjiranco Street. Boekenhouthoek
8	Cllr Mbebenzi Ben Mabena	079 367 8195	Stand No 1998 Verena D
9	Cllr Joseph Elias Mthimunye	078 535 1287	Stand No 120 Buhlebuzile
10	Cllr Maria Thruddy Nobela	072 593 4635	341 Emzimuhle/Germbokspruit
11	Cllr Sgaule Timothy Mnisi	076 792 1744 071 623 9781	258 Wolvenkop Verena
12	Cllr Sipho Masango	079 114 5193	Stand No 23 Tweefontein C, Next To Vukuzame Secondary School
13	Cllr Christinah Ndlelehle Mahlangu	078 211 3873 076 867 4373	Stand No 1513 Tweefontein B2
14	Cllr James Simausu Msiza	071 402 9708	Stand No 86 Mountainview Zone, Next To Mdawu Store And Apolo
15	Cllr Alexcious Sphiwe Madyungu	072 607 4431	Stand 1236 Tweefontein E,Next To Sinamuva Store
16	Cllr Josephinah Lindiwe Mahlangu	079 583 3956	Stand No 753 Buhlebesizwe, Next To Khulufunde Primary
17	Cllr Samuel Bongani Mogoboya	071 438 5694	Stand No 313 Tweefontein F, Maleleza Street

Ward	Surname & Names	Contact	Physical Address
18	Cllr Maria Qhubeni Mnguni	084 716 2684 074 308 9530	284 Slovo Street Thokoza
19	Cllr Mzwandile Obed Sikosana **(Mpac Chairperson)**	079 031 2227	621 Suncity A
20	Cllr Seisiwe Jack Masango	074 064 9804	492 Suncity Aa
21	Cllr Norman Ngoma	072 568 1485	Stand No: 795 Vlaklaagte No: 1. Next To Moonlight Store
22	Cllr Nimrod Boitumelo Malefo	079 718 9023 071 623 5882	391 Mandela
23	Cllr Victor Msibi Bongani	083 800 6781	Stand No 192 Tweefontein A, Next Tribal Office- Kwashabangu
24	Cllr Dumisani Chrescent Fakude	072 030 9641	Stand No 1067 Bundu, Around Second Hamp
25	Cllr Jan Sizwe Mahlangu	072 305 2096	569 Kwaggafontein B
26	Cllr Masotja Petrus Nduli	071 324 6353	Stand No 2195 Kwaggafontein C
27	Cllr Dini Samson Skosana	076 122 5582	Stand No 757 Kwaggafontein A, Section 7
28	Cllr Khulisile April Msiza	072 474 3118 078 200 7430	Stand No 1725 Kwaggafontein A
29	Cllr Patrick Vusi Mahlangu	072 420 8514	Stand1215 Kwaggafontein A
30	Cllr Gideon Mahlangu	073 131 1164	Stand No 1402 Tweefontein H
31	Cllr Vusimuzi Vincent Skosana	073 272 8457	1292 Kwaggafontein D (Ngendwani)
32	Cllr Oria Mpheto Mabelwane	076 088 2224	Stand No 513 Kwamhlanga B

APPENDIX A (II) – LIST OF PR COUNCILLORS

Surname & Names	Contact	Physical Address
Cllr Nomsa Sanny Mtsweni **(Her Worship Hon. Executive Mayor)**	082 824 9826	Stand 123 Section A, Kwamhlanga
Cllr Nompumelelo Evidence Hlophe **(Hon. Speaker)**	072 734 4722	Stand 10067 Zakheni, Behind Kwa-Willy Panelbeat
Cllr Joyce Johannah Tau **(Hon. Council Whip)**	082 965 4343	2471 Block 06 Moloto
Cllr Lillian Martha Tshabangu **(Hon. Mmc Finance)**	082 791 0771 071 623 5917	Stand No 472 Tweefontein F
Cllr Thomas Lebandla Mabena **(Hon. Mmc Led)**	060 696 7594	Stand No 447/8 Sun City Aa
Cllr Maria Poppy Msiza **(Hon. Mmc Sds)**	073 311 7976 076 676 0319	866 Kwagga D
Cllr Thabisile Elsie Mashinini	072 102 7549	Stand 1459 Mandela
Cllr Emelinah Mavis Mathibela	076 400 1148	Stand No 3 Verena A, Next To Thandi Tuck Shop
Cllr Lindiwe Thembi Skosana	076 709 7595	Stand No 2307 Mountainview, Use The Paving Road
Cllr Thokozile Egnes Motanyane	082 965 2217	2564 Kwagga C

	084 775 2725	
Surname & Names	**Contact**	**Physical Address**
Cllr Theletji James Makhwiting **(Hon. Mmc Technical S.)**	060 672 8757	Stand No B241 Empumelelweni, Sheldon
Cllr Laza Elsie Jiyane	072 407 0423	Stand No 797 Phola Park, Street 35, Behind The Sports Bar
Cllr Marcia Msiza	082 746 9944 084 858 5808	Kwagga A
Cllr Zanele Maseko	083 311 0863	Stand No 77/78 Mathyzensloop
Cllr Nomasonto Emmah Phakathi **(Hon. Mmc Corporate)**	076 981 9646	Stand No 1926 Block 11, Moloto South
Cllr Sonto Rose Nhlapho	082 399 8302	Stand 514 Luthuli, Rocky Tavern
Cllr Sonto Rose Nhlapho	082 399 8302	Stand 514 Luthuli, Rocky Tavern
Cllr Nomatjeni Nellie Msiza	060 771 4578	Stand 425 Tweefontein , Next To Bout Tavern
Cllr Piet Thapelo Kekana	072 149 5989	2521 Vezubuhle, Next To Vezubuhle Hall
Cllr Remenky Stephinah Molefe	071 121 1731	Stand No 2748 Zenzele,
Cllr Steven Boshego	072 729 1734	Stand 7001 Zakheni, Next To Driving School
Cllr Alicia Lebohang Dhlamini	076 205 6019	Stand No 157 Kwaggafontein C, Next To Velly's Tavern
Cllr Vusi Amos Msibi	082 633 5717	Stand No 672 Tweefontein H, Next To Thumamina Sand

APPENDICES

Surname & Names	**Contact**	**Physical Address**
Cllr Ntombi Mitta Motaung	072 290 3386	Stand 1691 Verena C, Next To Somlingo Primary School
Cllr Matalanyane Lucas Mokolo	082 367 6267	Stand No. 2759 Moloto North, Block A, Next To Ekosini Kwa-Skosana
Cllr Nompumelelo Merriam Mahlangu	060 787 8934	Stand No 549 Thembalethu,
Cllr Toenkie Linah Masilela	082 295 0417	80025 Zakheni,
Cllr. Ivy Mando Mahlangu	072 694 1989	419 Buhlebesizwe Rdp
Cllr Maria Adelaide Mokwena	073 105 1959	232 Buhlebesizwe 2 Aa
Cllr Thabo John Tibane	083 530 2950 082 060 3258	Stand No. 90/91 Suncity D
Cllr Jan Masaka Makhubela	071 299 3111	293 Mountainview Zone 3
Cllr Rubber Qaliwe Mtsweni	073 659 5200	586/7 Mountain View
Cllr Mqosh Paulus Mashaba	072 7378 290	318 Phola Park Kwamhlanga

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (Other Than Mayoral / Executive Committee) And Purposes Of Committees	
Municipal Committees	**Purpose Of Committee**
Ict Committee	Councillors Provide Oversight Role To All Committees
Led Committee	Councillors Provide Oversight Role To All Committees
Social Development Services	Councillors Provide Oversight Role To All Committees
Technical Services Committee	Councillors Provide Oversight Role To All Committees
Mpac	Councillors Provide Oversight Role To All Committees
Corporate Service Committee	Councillors Provide Oversight Role To All Committees
Finance Services Committee	Councillors Provide Oversight Role To All Committees

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State Title And Name)
Assistant Manager IDP	Mr K Mokwena
Assistant Manager: PMS	Ms. K.S Moripe
Assistant Manager: LED	Mr. Ws Msiza
Assistant Manager: Communication	Ms. S Mashiane
Chief Internal Auditor	Mr. A Malope
Chief Risk Officer	Mr. T Baloyi
Assistant Manager: Public Participation	Mr. H Nkosi
Assistant Manager: Youth Development	Mr. T Mahlangu
Assistant Manager: Researcher And Monitoring	Mr Ko Bapela
Assistant Manager: Roads And Storm Water	Mr. V Sibuyi
Assistant Manager: Sanitation And Water	Mr C Mokubedi
Assistant Manager: PMU	Mr D Mahlangu
Assistant Manager: Human Settlement & Town Planning	Mr. S Masilela
Assistant Manager: Waste Management & Environment	Ms. A Aphane
Assistant Manager: HRM	Ms. L Nxumalo
Assistant Manager: Legal Service	Adv. Jp Skosana
Assistant Manager: Fleet Management	Mr. Jj Skosana
Assistant Manager: ICT	Mr.T Ntimane
Assistant Manager: Revenue Management	Mr. O Ledwaba
Assistant Manager: Assets Management	Mr. R Makhubele
Assistant Manager: SCM	Ms. L Sehlako
Assistant Manager: Budget And Reporting	Mr. J. Moyo
Assistant Manager: Expenditure Management	Ms J Mahlangu
Use As A Spill-Over Schedule If Top 3 Tiers Cannot Be Accomodated In Chapter 2	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
Municipal Functions	**Function Applicable To Municipality (Yes / No)***
Constitution Schedule 4, Part B Functions:	
Air Pollution	No
Building Regulations	Yes
Child Care Facilities	No
Electricity And Gas Reticulation	No
Firefighting Services	No
Local Tourism	Yes
Municipal Airports	No
Municipal Planning	Yes
Municipal Health Services	Yes
Municipal Public Transport	No
Municipal Public Works Only In Respect Of The Needs Of Municipalities In The Discharge Of Their Responsibilities To Administer Functions Specifically Assigned To Them Under This Constitution Or Any Other Law	Yes
Pontoons, Ferries, Jetties, Piers And Harbours, Excluding The Regulation Of International And National Shipping And Matters Related Thereto	No
Stormwater Management Systems In Built-Up Areas	Yes
Trading Regulations	Yes
Water And Sanitation Services Limited To Potable Water Supply Systems And Domestic Waste-Water And Sewage Disposal Systems	Yes
Beaches And Amusement Facilities	No
Billboards And The Display Of Advertisements In Public Places	Yes
Cemeteries, Funeral Parlours And Crematoria	Yes
Cleansing	Yes
Control Of Public Nuisances	Yes
Control Of Undertakings That Sell Liquor To The Public	No
Facilities For The Accommodation, Care And Burial Of Animals	No
Fencing And Fences	Yes
Licensing Of Dogs	No
Licensing And Control Of Undertakings That Sell Food To The Public	Yes
Local Amenities	Yes

Municipal Functions	
Municipal Functions	**Function Applicable To Municipality (Yes / No)***
Local Sport Facilities	Yes
Markets	No
Municipal Abattoirs	Yes
Municipal Parks And Recreation	Yes
Municipal Roads	Yes
Noise Pollution	Yes
Pounds	YES
Public Places	Yes
Refuse Removal, Refuse Dumps And Solid Waste Disposal	Yes
Street Trading	Yes
Street Lighting	Yes
Traffic And Parking	Yes

APPENDIX E – WARD REPORTING

Functionality Of Ward Committees

Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
1	**Cllr A. Mahlangu**	Yes	12	09	2
	Themane Phakaneng Jim				
	Kheswa Vusimuzi Wellington				
	Bonokwane Seun				
	Maisela Mpelegwa Piet				
	Masogo Kedibone Caroline				
	Nkuna Mhlopheki Charles				
	Ramohlale Jan Malesela (Deceased)				
	Mngidi Tryphorsa Julia				
	Sabani Betty Mahlangu				
	Shoba Mkhozile Johannes				
2	**Cllr Ds Mampuru**	Yes	12	09	4
	Monahane Berand Alfred				
	Motau Tebogo Jetra				
	Mhlanga Nchoke Solomon				
	Wesi Kagisano David				
	Molomo Phashushu Paul				
	Madela Phila Getrute				
	Monakedi August				
	Mokoni Freddie				
	Madiseng Lenah Linky				
	Ngwenya Jabu Patrick				
3	**Cllr Pd Makatu**	Yes	12	09	5
	Chabedi Dikeledi Ellen				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Semenya Steven Koketso				
	Makobe Jack Mashilo				
	Makena Evelina Makonketsa				
	Alage Elsie Motjoka				
	Sibanyoni Thomas				
	Magoru Michael Kgopotso				
	Mahlangu Jeniffer Morongwa				
	Mahlangu Mokgaetsi Penina				
	Mahlangu Sipho Petrus				
4	**Cllr Ma Motena**	Yes	12	09	4
	Gule Poppy Getrude				
	Sibanyoni Albert Alfred				
	Radebe Namtungwana Elizabeth				
	Modika Tebogo Johannah				
	Mtsweni Godfrey Mandla				
	Mathenjwa Thomas Mashobane				
	Matsha Mmadiale Winny				
	Maphutse Emily Ntombizodwa				
	Phatlamotlaka Zacharia Johannes				
	Kabini Thomas Umgolosi				
5	**Cllr Sk Ngoma**	Yes	12	09	5
	Masombuka Miggal Nomthandazo				
	Sibanyoni Nomalanga Elizabeth				
	Mgidi Mzakhe Witbooi				
	Motsweni Albert				
	Mahlangu Jabulile Rejoice				
	Sikhosana Sandile				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Mdluli Thandi Lizzy				
	Matsheni Themba Koos				
	Makhananisa Vincent Boy				
	Ngoepe Lettie				
6	**Cllr Kv Jiyane**	Yes	12	09	6
	Msiza Joseph Joey				
	Mahlangu Letty Beauty				
	Skosana Betty Vamuhle				
	Mahlangu Letty Sarah				
	Masina Nomalanga Emely				
	Mokoena Pretty Molly				
	Skosana Tshidi Mahlogonolo				
	Motau Rose Bahlezi				
	Mahlangu Poprizana Beauty				
	Magakoe Esther Mamohlolo				
7	**Cllr Mm Mahlangu**	Yes	12	09	3
	Mahlangu Vusi				
	Thubane John Daantjie				
	Thabethe Elizabeth Khabo				
	Mtsweni Sana Swartbooi				
	Skhosana Mike Aaron				
	Ngoma Johannah Thembisile				
	Banda Mpho				
	Makwakwa Nomsa Esther				
	Mathibedi Nomathemba Joyce				
	Manala Mathibela				
8	**Cllr Mb Mabena**	Yes	12	09	6
	Mahlangu Bongi Engelinah				
	Sibanyoni Maria				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Makgama Florah Madiele				
	Djiane Rose				
	Mbonani Johana Meme				
	Sibanyoni Mandla Prince				
	Mahlangu Tati Letty				
	Mahlangu Johannes Thulani				
	Thubane Nurse Sarah				
	Rahlago Malendah Sape				
9	**Cllr Je Mthimunye**	Yes	12	09	6
	Skhosana Rati Johannah				
	Mahlangu Grace Nomathemba				
	Mahlangu Dumisani Piet				
	Lebisi Sophy Nadima				
	Mbonani Musa Christina				
	Motha Thandi Precious				
	Masilela Sdudla Linah				
	Kabini Thuthukile Ntombi				
	Mahlangu Elinah Jane				
	Sikhosana Lungile Annah				
10	**Cllr Mt Nobela**	Yes	12	09	10
	Mtshweni Jeffrey Godfrey				
	Ragimana Sydwell Lebogang				
	Ntuli Lillian Thokozile				
	Nkambule Nelly Ouma				
	Masango Sarah Sphenge				
	Magagula Nanetjie Busisiwe				
	Nkambule Linah Busi				
	Msiza Phillip Sunnyboy				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Nhlanhla Bafana Elliot				
	Mathibela Nyamana John				
11	**Cllr St Mnisi**	Yes	12	09	6
	Magadla Thomas Joseph				
	Zikalala Sindisiwe Agnes				
	Mtsweni Jeaneth Johannah				
	Tshabalala Nombulelo Precious				
	Ntuli Annah Lala				
	Mtimunye Lucky Linda				
	Jiyane Mduduzi Velly				
	Mthimunye Job Rolls				
	Mthombeni Geelbooi Mphatheki				
	Ntuli David Mapocho				
12	**Cllr S Masango**	Yes	12	09	4
	Malaza Mantombi Martha				
	Rembeyi Bongiwe Sylvia				
	Nkosi Sesana Joice				
	Mabasa Nurse Prescilla				
	Skhosana Charles Vusi				
	Mkhatshwa Nonhlanhla Nonkululeko				
	Nevonde Elias Oupa				
	Mnisi Solomon Mhlanganiswa				
	Skosana Msongelwa Johannes				
13	**Cllr Cn Mahlangu**	Yes	12	09	6
	Sibeko Fikile				
	Gule Kellina Pretty				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Mahlangu Andrew Zabi				
	Skhosana Seun Vusumuzi				
	Ntuli Maria Timjewe				
	Mahlangu Suzan Christinah				
	Thabethe Jane Thandi				
	Mashiya Gildress Zwelibantsi				
	Mahlangu Winnie Sithembiso				
	Mashiane Zandile Margaret				
14	**Cllr Js Msiza**	Yes	12	09	7
	Ntuli Daniel Vukuzenzele				
	Mdluli Ntombi Ignatia				
	Sibiya Comfort Mduduzi				
	Mtshweni Thoko Esther				
	Khoza Anitha Sonto				
	Mabaso Thabsile Christicia				
	Maila Joseph				
	Lekoko Rose Ngwanatshehlo				
	Mabena Moses				
	Msiza Tembeni Stephinah				
15	Cllr As Madyungu	Yes	12	09	5
	Skosana Gwezi Rose				
	Mahlangu Annah Nomgqibelo				
	Diala Joseph Doctor				
	Masimola Maria Swabi				
	Coka Albert Themba				
	Makwakwa Nomaswazi Hilda				
	Shabangu Nomhlekhabo Rooi Maria				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Mahlangu Sabinah Thoko				
	Mnguni Simon Sipho				
	Mahlangu Wendy Lindiwe				
16	**Cllr Jl Mahlangu**		12	09	4
	Mozisa Solly Stevens				
	Mtsweni Jan Frances				
	Mahlangu Busisiwe Beatrice				
	Nkwane Freeda Nonkululeko				
	Masango Yvonne Velaphi				
	Mahlangu Simphiwe Margaret				
	Mtsweni Busisiwe Khulelaphi				
	Mtsweni Sphiwe Martha				
	Bunwana Zithulele				
	Mphuthi Thabo Peter				
17	**Cllr Sb Mogoboya**	Yes	12	09	3
	Ndaba Pheli Grace				
	Mthimunye Thulisile Linah				
	Khumalo Patience Nosipho				
	Sibanyoni Busisiwe Theodrin				
	Mkhwanazi Thulani Daniel				
	Maselela David				
	Thokwane Christian Kosi				
	Mahlangu January Matjoni				
	Mahlangu Martha Senzi				
	Skhosana Speelman Makhundula				
18	**Cllr Mq Mnguni**	Yes	12	09	7
	Malope Mpati Philly				
	Mthombeni Vusi Abram				
	Zungu Valentia Denny				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Ntuli Mathoma Boy				
	Mahlangu Mavis Mbitjana				
	Mahlangu Thokozile Ntokozo				
	Mtshweni Zakhona Nhlanhla				
	Mahlangu Martha Sdudla				
	Mahlangu Gatshi Christina				
	Mokoena David Sello				
19	**Cllr Mo Sikosana**	Yes	12	09	5
	Mokwana Jack Thabang				
	Shiburi Sebetla David				
	Mashiyane Phindaphi Sarah				
	Makhubela Thomas Nzama				
	Msiza Annarancia Bangiswani				
	Mtswenithabisile Emily				
	Semelani Khulu Hendrick				
	Tema Mathews Tebogo				
	Mahlangu Letty Khabonina				
	Mabena Phephelaphi Eva				
20	**Cllr Sj Masango**	Yes	12	09	7
	Sibanyoni Winie Sibongile				
	Sedisho Cedric Ephryme				
	Mntambo Thokozile Constance				
	Mahlangu Magie Ntombi				
	Napyane Gift Popo				
	Kgophane Sanny Busisiwe				
	Mkhuma Pauline Mabelema				
	Masuku Rebeca				
	Mokwena Millicent Evelinah				
	Mtsweni Khuziwe David				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
21	**Cllr N Ngoma**	Yes	12	09	4
	Mahlangu Samuel Nzani				
	Konza Ephraim Nsikelelo				
	Mngomezulu Joice Bikhaphi				
	Masanabo Johannah Nomsa				
	Mahlangu Virginiah Sbongile				
	Mnguni Johannes Porsch				
	Mahlangu Emmanuel Phillip				
	Chenepe Dimakatso Gladys				
	Sikhosana Onicca Sibongile				
	Skhosana Dimod Simon				
22	**Cllr Nb Malefo**	Yes	12	09	5
	Shabalala Zanele Yvonne				
	Komete Maria Nkele				
	Monama Leseja Hans				
	Aphane Busisiwe Elizabeth				
	Maphotho Sengangayana David				
	Mahlangu Collen Simiso				
	Ngobeni Samuel Shirelela				
	Mabena Johannes Taitors				
	Nkadimeng Joseph				
	Masilela Christinah Sibongile				
23	**Cllr Vb Msibi**	Yes	12	09	10
	Mahlangu Jabulile Gloria				
	Nkambule Hezekiel				
	Mahlangu Ester Nhlanhla				
	Mahlangu Lindiwe Suzan				
	Kubeka Ettie Samuel				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Mahlangu Phumzile Jessie				
	Madela Nombuso Winnie				
	Msiza John Mthethwa				
	Tshabalala Simon Mzamani				
	Skhosana Jan				
24	**Cllr Dc Fakude**	Yes	12	09	5
	Mathibela Christ Jan Oupa				
	Mahlangu Winnie Thoko				
	Ntuli Lucas Bahlezinganye				
	Mthimunye Julia Hilda				
	Mahlangu Geelbooi John				
	Skhosana Mahlathini Jack				
	Sekopa Ramathabathe Norah				
	Mahlangu Suhla Speelman				
	Mahlangu Kleinbooi Yazo				
	Moloi Teti Sylvia				
25	**Cllr Js Mahlangu**	Yes	12	09	5
	Mahlangu Poppie				
	Mahlangu Paulinah Patricia				
	Sibanyoni Esther				
	Mahlangu Sipho Elias				
	Tshezi Salamina				
	Magubane Thabile Yvonne				
	Mahlangu Mpostili				
	Masanabo Lesiba Johannes Dukes				
	Mahlangu Dumeleni Rose				
	Kabini Lindiwe Sophy				
26	**Cllr Mp Nduli**	Yes	12	09	5

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Rantseli Senzeni Anna				
	Mabena Nomacala Sophy				
	Skosana Nomangisi Betty				
	Motanyane Nomusa Francisca				
	Mgidi Sondiwe Moses				
	Mabena Nobakhethwa Maria				
	Masebe Elizabeth				
	Zwane Themba Godfrey				
	Nkosi Sarah Bongi				
	Mahlangu Sylvia Nompumelelo				
27	**Cllr Ds Skosana**	Yes	12	09	2
	Ntuli Marinkie Kholekile				
	Skhosana Mhlangi Petrus				
	Kabini Nicholus Thabiso				
	Ntuli Beauty				
	Ngoma Emely				
	Jiyane Kenneth				
	Mahlangu Prudence Caleni				
	Mokhoebane Hleziphi Ephenia				
	Mahlangu Johannes Boyana				
	Thembi Jane Mabena				
28	**Cllr Ka Msiza**	Yes	12	09	3
	Skhosana Ntombifuthi Emmah				
	Mthimunye Dinah Christinah				
	Hlattywayo Elizaberth Nonhlanhla				
	Ngobesa Vangile Paulinah				
	Mthombeni Zabenzeni Komusasa				
	Sebothoma Gloria Thandeka				
	Mamaila Amos Moloi				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Mnguni Katriena				
	Kubeka Bubu Jane				
	Mokhethwa Emmanuel Doctor				
29	**Cllr Pv Mahlangu**	Yes	12	09	4
	Kgomo Rose Martha				
	Mahlangu Sinah Goodness				
	Sithole Martha Lolo				
	Hlongwane Skhalo				
	Shabangu Reginald Samuel				
	Tshabalala Nozizwe Agnes				
	Mahlangu Phillimon				
	Mabhena Joseph Sipho				
	Dlhamini Makhosazana Agrineth				
	Mtshweni Mfundisi Aaron				
30	**Cllr G Mahlangu**	Yes	12	09	3
	Ntuli Richard Makhawane				
	Mthimunye Bongi Paulinah				
	Kgopane Petros Peter				
	Ntuli Emely Sibongile				
	Mnguni Betty Maria				
	Mashigoane Dikeledi Fortune				
	Masombuka Sibusiso Gabariel				
	Masombuka Doctor Phillip				
	Mahlangu Elizabeth				
	Mabena Stemer September				
31	**Cllr Vv Skosana**	Yes	12	09	3
	Skosana Solomon Fickson				
	Mahlangu Ollga				
	Mashilo Phumzile Martha				

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	Committee Established (Yes / No)	Number Of Monthly Committee Meetings Held During The Year	Number Of Monthly Reports Submitted To Speakers Office On Time	Number Of Public Ward Meetings Held During Year
	Matshiya Nomsa Kedibone				
	Mahlangu Kedibone Petronella				
	Mahlangu Jabu				
	Mahlangu Khuzani Abel				
	Magane Maria Thembisile				
	Masango Ernest Sipho				
	Mahlangu Cynthia Lindiwe				
32	**Cllr Om Mabelwane**	**Yes**	12	09	7
	Mahlangu Sibongile Martha				
	Dhlamini Harry Tshepo				
	Mazibuko Khuwa Matha				
	Mahlangu Emmah Thembi				
	Mahlangu Ntombi Selinah				
	Sibiya Mokhine Johannes				
	Mkhwanazi Musa Walcott				
	Legodi Kedibone Martha				
	Maila Makgalaoroa Alfred				

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest In 2015/16 (Full List At Appendix N)				
No.	Project Name And Detail	Total Value (R)	Start Date	End Date
1	New Reservoir And Pipeline At Kwamhlanga	R12,318.366.00	27 January 2015	On-Going (Multi Year Project) -
2	Drilling And Equipping Of Boreholes In Boekenhouthoek	R 5 752 000.00	25 January 2015	On-Going –
3	Upgrading Of Kwaggafontein Water Scheme	R 5 852 500	20 January 2015	On-Going (Multi Year Project) -
4	Upgrading Of Tweefontein K Waste Water Treatment Works – Phase 1	R 8,336.605	19 February 2015	On-Going (Multi Year Project) - .
5	Miliva (Next To Rdp) Water Reticulation	R 3 727 537.57	23 February 2015	22 June 2015
6	Vlaklaagte No. 2 Water Reticulation	R 2 687 189.41	23 February 2015	22 June 2015
7	Drilling And Equipping Of Boreholes, Ward 32	R 1 665 060.00	9 February 2015	19 June 2015

Top Four Service Delivery Priorities For Ward (Highest Priority First)		
No.	Priority Name And Detail	Progress During 2015/16
1	Water	56991 Households Provided With Access To Basic Water Daily
2	Sanitation	2287 Households Provided With Access To Sanitation (Kwamhlanga And Tweefontein K)
3	Electricity	Thlm Total Number Of Hihmast 290 And Street Lights- 432 (High Mast Light Strated From 2012/2013 To 2015/2016).
4	Waste Management	66495 H/H Provide With Access To Refuse Removal On Fortnight Base

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2016/17

Audit Committee Recommendations		
Report Name	**Committee recommendations made during 2015/16**	**Recommendations adopted (enter Yes); not adopted (provide explanation)**
Report of the Audit Committee in response to the issues raised by the Auditor General in the Audit Report 2016/17	**Matters of Emphasis** **1.** Preparation of Quarterly GRAP complaint financial Statements with appropriate and sufficient working papers on or before the February 2018, April 2018 and July 2018. The said financial statements to be submitted to Audit Committee and MPAC for interrogation. **2.** Accounting Officer should assess capacity within Finance department and submit such report to Audit Committee on or before the end of February 2018.	**Recommendations are to be tabled in the next council meeting scheduled 31 January 2018.**
	Non Compliance Matters 1. Development and Implementation of Compliance Management System immediately. The report from such interventions should server before management on a monthly basis, Council and Audit Committee quarterly.	
	Additional recommendations 1. THAT Accounting Officer should implement Consequence Management and provide a report to Council on or before the end of March 2018 2. THAT management develops action plans that will highlight and address the root causes of all the findings contained in Auditor General's management report; 3. THAT emphasis be made on shortening the turnaround time of addressing the AG findings; 4. THAT the Municipal Manager ensures the implementation of the agreed action plans and report to the Audit Committee on a monthly basis effective 30	

Audit Committee Recommendations		
	January 2018; 5. THAT the audit issues and action plan progress report be a standing item in all Management, EXCO and MPAC agendas; 6. THAT the Mayor be briefed by the Audit Committee Chairperson on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis; 7. THAT the Mayor be briefed by the Municipal Manager on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis; 8. THAT the Internal Audit verifies the accuracy of the reported implementation status on the action plans and report to the Audit Committee; 9. THAT the municipality consider compiling quarterly financial statements for presentation to the Audit Committee as this will increase the municipality's ability to submit credible financial statements to the Auditor General, thus also increasing the chance of the municipality to obtain enhanced audit outcomes; 10. THAT there be a regular interaction between the Audit Committee, MPAC and Portfolio Committees; and 11. THAT the Audit Committee resolutions be tracked by the Portfolio Chairpersons and MPAC on a monthly basis 12. THAT Council should refer the Audit Report for year ended 30 June 2017 with the management prepared action plan to MPAC for interrogation; 13. THAT the Audit Committee coordinate a Joint Consequence Management session on or before the end of February 2018. The report of the session should serve before Council in March 2018. 14. THAT the Internal Audit adjust their Internal Audit Plan with view of effectively responding to issues raised by the AGSA. 15. THAT the audit outcome should be factored into the current registers, i.e Risk registers should be amended accordingly. 16. THAT the Management should strengthen Performance Management system and Performance Management unit. 17. THAT the Management should strengthen the Project Management activities (including amongst other evaluation of external service providers). 18. THAT Council establish an Operation Clean Audit Committee Chaired by the Executive Mayor(consisting of AC, MMCs, and Accounting Officer) on or before the end of February 2018	

Audit Committee Recommendations		
Audit Committee Report for the quarter ended 30 September 2016 (1ST Quarter Report)	**Performance Management** Based on the reports considered the Audit Committee is satisfied that the Municipality has implemented an effective system of monitoring progress with the achievement of performance targets. This system is able to identify arrears and the departments that are underperforming. However, the action plans drafted to address underperformance are not always implemented which then result on the performance of the municipality not improving.	**All recommendations were noted**
	Compliance with MFMA and DoRA The Audit Committee recommends the development and implementation of integrated compliance management system (covering all policies and legislation).	
	Performance evaluation 1. That the performance of all senior managers and that of the Accounting Officer be subjected to quarterly evaluations in line with the Municipal Performance Regulations	
	Consequence management framework	

Audit Committee Recommendations		
	1. The Audit Committee recommends development and implementation of consequence management framework.	
	Internal Financial Controls and Internal Audit 1. Accounting Officer to take remedial action in so far as the concerns of AC. 2. The updated reports to be emailed to AC within 7 days 3. Council note the concerns of the AC and refer management's conduct to MPAC for interrogation/deliberations 4. That there be strict monitoring of cash flow and projections so as to ensure that the municipality continue its operations without hindrance 5. That management write a report on how instances such as unauthorised transactions will be prevented moving forward so as to prevent a recurrence of the same occurrence 6. That management implements the recommendations made in the Internal Audit reports as they are aimed at improving the control system of the municipality 7. Management ensures that the system of financial management and internal control established by the municipality is strengthen and carried out diligently at all times. Internal control weaknesses create an environment conducive to fraud; that is why it is of supreme importance that management ensures that an environment that is conducive to controls is created and maintained.	
	Risk Management	

	1. That management set the right tone when it comes to risk management. Measures should be put in place to inculcate a culture of risk management within the municipality and such measures should be embedded within the municipality operations, decision making processes and the execution of the risk management strategy 2. The primary responsibility on management when it comes to risk management must be reflected in the individual agreements signed with the managers and managers must be assessed on risk management as one key performance areas	
Audit Committee Report for the quarter ended 31 December 2016 (2ND Quarter Report)	**Accuracy and Reliability of Financial Reporting** 1. Accounting Officer should conduct an investigation on deviations amounting to R 1,985,544.24 and report to AC and Council within 30 days of adoption of this report. 2. Council note the concerns of the AC and refer management's conduct to MPAC for interrogation/deliberations 3. Management should processed an amendment to the Annual Financial Statements that are currently being audited by the AGSA. 4. Moving forward, the quarterly reports on deviations should give as much details as they can so that any third party reading the report can be able to understand whether the transactions that led to deviations were indeed as result of an emergency or poor planning from the municipality 5. That before reports are taken to council, management must ensure that they have been seen by the committee members first so that both management and	**All recommendations were noted**

Audit Committee Recommendations		
	council can be advised properly 6. That measures be put in place to ensure that management performs quality checks on the reports that it submits to the Committee, Council and other municipal stakeholders. Management must provide the first level of assurance on the accuracy of the reports it presents and should be held accountable for such reports	
	Performance management 1. That work plans be developed clearly indicating what must be done and how it must be done for the mission and objectives to be attained 2. That performance be analysed on a monthly basis and that progress made on the set targets be discussed at management level atleast on monthly basis so that the risk of not achieving the set targets can be properly managed 3. Where there are indications of non/poor/under performance, causal factors must be analysed and where necessary, the various option given in the PMS policy must be explored	
	Compliance with the MFMA and DoRA 1. That there be constant monitoring of compliance issues using various tools that will assist to quickly identify violations likely to occur, detect those that have occurred and prevent a recurrence where non-compliance has been identified. Compliance monitoring should be done on a daily basis first from the level of units/divisions, then departmental level and results be	

Audit Committee Recommendations		
	subsequently reported at management level atleast on a weekly basis	
	Performance Evaluations 1. That Council takes the necessary steps against all those that are contravening the regulations and the municipality's Performance Management Policy which has been adopted by council 2. That moving forward, the Accounting Officer ensures that the performance of all senior managers and that of the Accounting Officer is Subjected to Quarterly evaluations in the current year effective October 2015	
	REPORT IN TERMS OF SECTION 166 (2) (B) 1. As previously recommended, the Committee once again recommends that the municipality consider compiling quarterly financial statements for presentation to the Audit Committee on a quarterly basis this will increase the municipality's ability to submit credible financial statements at the end of the financial year, thus also increasing the chance of the municipality to obtain enhanced audit outcomes. The Compilation of quarterly statements will also reduce a lot of inaccuracies as well as pressure from both the management side and committee side at year-end (e.g. it will afford both management and the committee adequate time to perform the quality assurance review at year-end and to correct all matters that needs to be corrected in time) as management will be consolidating what was prepared throughout the year.	
Audit Committee Report for the quarter	**Third quarter performance report**	**All recommendations were noted**

ended 31 March 2017 (3RD Quarter Report)	1) Council notes the third quarter performance report 2) Assistance should be sought for the performance management unit 3) Council notes the internal audit findings 4) Management should develop an internal audit action to address the performance internal audit findings. 5) All the unachieved targets should be carried forward to next quarter 6) Fully implementations of performance management system	
	Finance reports 1. Council should note the third quarter finance report. 2. Budget and Treasury must remind the departments of their spending patterns. 3. Management should adhere to Demand management plans at all times 4. Municipality must considered development of alternative funding mechanisms.	
	Technical services report The AC recommends development and implementation of: 1. Project selection model 2. Project risk management model 3. Project managers selection framework 4. Project management methodology Demand management plan fully implementation	
	Risk Management Recommendations 1. Top ten risks should be reported to Council on a quarterly basis. 2. RMC meeting pack to circulate to AC members before RMC meetings.	
	Compliance with the MFMA and DORA 1) The Audit Committee recommends the development and implementation of	

Audit Committee Recommendations		
	integrated compliance management system (covering all policies and legislation).	
Audit Committee Report for the quarter ended 30 June 2017 (4TH Quarter Report)	**Internal Financial Controls and Internal Audit** 1. That management should develop an Internal audit action plan to assist in addressing the issues raised by Internal audit 2. Chief Risk Officer should be assist the CFO and MM in coordinating the consolidation and monitoring of the action plan. **Financial report** 1. Monthly monitoring should be directors of spending patterns 2. Municipality must considered development of alternative funding mechanisms. 3. Accounting records reconciled and suspense accounts cleared. Feedback provided to Finance Portfolio Chairperson. 4. Quarterly financial statements submitted to the Audit Committee with substantiating working paper files. 5. Fully development and implementation of cash backed project management plan. **Corporate services report** 1. Management should develop an action plan to deal with number of safety violations. 2. Management should implementation of council resolutions management system to assist management in tracking of council resolutions.	**All recommendations were noted**

Audit Committee Recommendations		
	3. Management should implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. 4. Management should review all cases on regularly basis.	
	IT governance 1. AC tasked one of the audit committee members to engage management on issue of ICT and report in the next meeting.	

APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts

Name Of Service Provider(Entity Or Municipal Department)	Description Of Service Provider Rendered By Service Provider	Start Date Of Contract	Expiry Date Of Contract	Project Manager	Contract Value
City Of Tshwane	Bulk Water Supply	2007	Infinite	Technical Manager	Per Supply
Rand Water	Bulk Water Supply /Bulk Water Project	2007	Infinite	Technical Manager	Per Supply
Eskom	Supply Of Electricity	2015	2020	Technical Manager	Per Supply
Telkom	Network Lines	2007	Infinite	Corporate Service Manager	Per Supply

PUBLIC PRIVATE PARTNERSHIP

Not applicable to thembisile hani local municipality.

APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE

PERFORMANCE OF EXTERNAL SERVICE PROVIDERS DURING THE 2016/2017 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2017

the performance of external service providers was measured and rated as follows:

Performance Rating	Description
1	Poor Performance (Very Poor)
2	Below Satisfactory (Poor)
3	Satisfactory (Acceptable)
4	Good Performance(Above Expectations)
5	Excellent Performance (Excellent)

TECHNICAL SERVICES

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
WATER														
DTS001	To reduce infrastructure and service backlogs and to establish a high quality	Monde Consulting Engineers JV	New Reservoir and Pipeline at Kwa-Mhlanga – Phase 2	Number of dedicated pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	1 New dedicated 5.4km pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	R 30,589 ,680	1 new dedicated5.0km pipeline from new reservoir to existing pipeline which split to two	R 27 850 512.92	No	12 months	Not completed	Due to the non-approved 2013/ 14 FY rollover of R 21 142 981.00, the funds were	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	environment with the associated physical infrastructure.				by 30 June 2017		areas Pholapark and Thembalethu has been completed					withdrawn by National Treasury in the 2016/ 17 FY and the municipality had to adjust its budget accordingly and thus this project		

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
												was affected by the adjustment, hence the non-completion of the testing and commissioning. Site		

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
												limitations due to the initiation period.		
DTS002	To reduce infrastructure and service backlogs and to establish a high quality	Diges Group Inyatsi Vea Roads JV Geomab Lebon	Upgrading of Kwaggafontein Water Scheme – Phase 2	Number of water schemes upgraded	1 Bulk water scheme upgraded by 30 June 2017	R23,000,000	6km of pipe installed from Kwaggafontein reservoirs to Boekenhouthoek reservoir upgraded	R 25 915 951.01	No	06	Not Completed	Due to the non-approved 2013/14 FY rollover of R 21 142 981.00, the funds were withdra	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	environment with the associated physical infrastructure.	e JV					with 335mm uPVC Class 9 for 6.8km.					wn by National Treasury in the 2016/ 17 FY and the municipality had to adjust its budget accordingly and thus this project was affected by the adjustm		

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
												ent, hence the non-completion of the testing and commissioning. Site limitations due to the initiation period.		
DTS003	To reduce	Monde Consul	Upgrading of existing infrastructure from	Number of Bulk water schemes	1 Bulk water scheme	R31,084,891	Backfilling of	R 39 480	No	6	Not Comple	Due to the non-	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastr	ting Engineers Irhalane Construction Matiyane Construction White Leopard Tradin	agricultural project to augment borehole water supply in Bundu.	upgraded	upgraded by 3o June 2017		1.46km bulk supply line from Bundu to Boekenhoet-hoek Backfilling of 4.465km bulk supply line from Bundu to resevoir	595.20			ted	approved 2013/ 14 FY rollover of R 21 142 981.00, the funds were withdrawn by National Treasury in the 2016/ 17 FY		

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ucture.	g					Boekenhout-hoek. Testing and commissioning of 4.465km bulk supply line in Boekenhout-hoek.					and the municipality had to adjust its budget accordingly and thus this project was affected by the adjustment, hence the non-		

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
												completion of the testing and commissioning. Site limitations due to the initiation period.		
DTS017	To reduce infrastr	Hi-End Group	Water Reticulation Sun City C	Number of households connected to	200 households connected to yard taps	R 7 140. 000	135 households connecte	R 6 053 326.45	No	06	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ucture and service backlogs and to establish a high quality environment with the associated physical infrastructure.	Khulupha la Trading		yard taps			d to yard taps							

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS084	To reduce infrastructure and service backlogs and to establish a high quality environment with the associated	Ceenex Technology Management Matswa Trading JV	Upgrading of Enkeldoornoog B Water Infrastructure	Number. of interconnection from 1000 to 500mm pipeline	1 Interconnection of 1000 to 500mm bulk line at Enkeldoornoog B by 30 June 2017	R 2,620, 000	Valve has been connected on 500mm dia pipeline.	R 3 843 344.04	No	12	Not completed	Site limitation to site as a result of the initiation period that led to the interconnection completion having to be moved to the first	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	physical infrastructure											week of July 2017.		
DTS085	To reduce infrastructure and service backlogs and to establish a high quality environment	Mpisana JV, Nondarhana Construction, Artwell Security and Projects and Eyasekhethe construction	Refurbishment of Boreholes(Verena,Moloto,Kwaggafontein)	Number. of boreholes refurbished (Verena,Moloto, Kwaggafontein)	6 Boreholes refurbished ((Verena,Moloto, Kwaggafontein) by 30 June 2017	R 2,230,526	Site establishment and procurement of material.	R 820 012.71	No	2	Not completed	Late appointment	2	Below

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	with the associated physical infrastructure	and projects												
SANITATION														
DTS068	To improve the quality of life of the community by providi	Afri Infra	Luthuli Waste Water Treatment Works (Multi-Year Project)	Number of waste water treatment works developed	1 waste water treatment plant developed by 30 June 2017	R5,816,169	Waste water treatment plant was not developed at year end, only drawings	R6 112 303.11	No	06	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ng them, with water supply, sanitation, roads						& design reports were completed							
ROADS AND STORM WATER														
DTS086	To reduce infrastructure and service backlogs and	Hi-End Group	Mabhoko Cemetery Road	Number. of Design completed for Mabhoko Cemetery Road	1 Design completed for Mabhoko cemetery Road by 30 June 2017	R 500,000	1 Design completed for Mabhoko Cemetery Road	R270 422.67	Yes	18	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	to establish a high quality environment with the associated physical infrastructure													
ELECTRICITY														
DTS087	To reduce		Highmast Lights and Street Lights	Number .of Highmast Lights	12 Highmast Lights and 134	R8,436,004	12 Highmast	R1 583 148.45	Yes	06	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastr		(THLM)	and Street Lights Maintained	Street Lights Maintained by 30th June 2017		Lights and 134 Street Lights Maintained							

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ucture													

CORPORATE SERVICES

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
DCS015	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Munsoft Jenny	ICT Licenses	Number of ICT licenses renewed	210 Anti-virus License, 50 Microsoft office License, 1 Firewall License, 1 Scope serve License, 1 VIP license	R1 161 940	210 Anti-virus License, 50 Microsoft office License, 1 Firewall License, 1 Scope serve License, 1 VIP license	R1 095 797.89	Yes Yes Yes	2 Years 3 Years 3 Years	Completed Completed Completed Completed	None None None	4 4 4	Good Good Good

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
		VIP			1 RT system License, 1 GIS License, 50 OME licenses, 1Munsoft license by 30 June 2017		1 RT system License, 1 GIS License, 1Munsoft license		Yes Yes No No	3 Years 1 Year	Completed Not Completed Not Completed Completed	None None No Contract No Contract	4 4	Good Good

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFOR MANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
									Yes	1 Year		None	4	Good
DCS018	To improve the organisational development and capacity	Munsoft	ICT hardware and maintenance	Number of reports issued on repairs and mainten	4 Reports issued on repairs and maintenance of ICT	R 426 400	4 Reports issued on repairs and maintenance of ICT equipment	R 202 276.00	Yes	2 years	Completed	None	4	Good

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
	of the municipality in order to render effective service delivery			ance of ICT equipment	equipment by 30 June									
DCS019	To improve the organisational development and capacity of the municipality in order to	Zwelpat Vukani Technologies	Computer Equipment	Number of Laptop, desktop and computer equipment to be procured	15 Laptop , 3 desktop and computer equipment (2 Projectors, ICT Toolbox and UPS)	R400 000	15 Laptop , 3 desktop and computer equipment (2 Projectors, ICT Toolbox	R409 781.88	Yes	Advert	Completed	None	4 4	Good Good

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT														
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
	render effective service delivery				to be procured by 30 June 2017		and UPS)							
DCS021	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Messers. Minozest.	Municipal fuel usage	Number of reports on fuel usage and reconciliations conducted on each municipal fleet	12 Reports produced on fuel usage and reconciliations conducted on each municipal fleet by 30 June 2017.	R4 530 334	12 Reports produced on fuel usage and reconciliations conducted on each municipal fleet.	R5,495.303.00	Yes.	12 months.	End November 2017.	None.	5	Excellent.

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
DCS022	To improve the organisational development and capacity of the municipality in order to render effective service delivery	1.Messrs. FZ Project. 2.Messrs Restassured. 3.Messrs Thulasizwe auto electrian. 4.Messrs. Mandiakandala. 5. Messrs Afrirent.	Municipal Fleet repairs and maintenance	Number of reports produced on repairs and maintenance of municipal fleet	12 Reports on repairs and maintenance of municipal fleet produced by 30 June 2017	R8 325 964	12 Reports on repairs and maintenance of municipal fleet produced	R1,0401,641	Yes. Yes. Yes.	12months. 12 months. 12months. 12 months.	Completed. Not. Not. Not.	None. Ending November 2017 Ending November 2017	4 3 4	Good. Satisfactory. Good.

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFOR MANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
		6.Messrs. Bahwiti.investments								36 months 12months.	Not. Not.	End April 2019 Ending .Sept2017.	3 4 3	Satisfactory. Good. Satisfactory.

KPA	MUNICIPAL TRANSFORMATION AND INSTUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT
DCS023	To improve the organisational development and capacity of the municipality in order to render effective service delivery	Messrs Eyethu testing station.	Municipal Fleet Licenses	Number of reports produced on licensing of municipal fleet	1 Reports produced on licensing of municipal fleet by 30 September 2016	R 822 736	1 Reports produced on licensing of municipal fleet	R530. 155	Yes.	1 report produced on licensing of municipal fleet.	Yes.	Ending on august 2017.	4	Good.

FINANCE SERVICES

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DBT008	To enhance revenue and to ensure financial viability and sustainability.	Munsoft	Annual Financial Statements	Number of Annual Financial Statements compiled and submitted to the Auditor General	1 Annual Financial Statement submitted to the AG by 31 August 2017	In house	1 Annual Financial Statement submitted to the AG by 31 August 2017	In house	Yes	2 Years	Completed	None	4	Good
DBT010	To enhance revenue and to ensure financial viability and sustainabilit	i@ Consulting	Asset Verification	Number of Asset verification sessions conducted	2 Assets verification sessions conducted by 30 June 2017	In house	2 Assets verification sessions conducted by 30	In house	Yes	2 Years	Completed	None	4	Good

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2016/2017	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\ NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	y.						June 2017							
DBT012	To enhance revenue and to ensure financial viability and sustainability.	I@ Consulting	Asset Register	Number of Asset Registers updated	1 updated Asset Register by 30 June 2017	In house	1 updated Asset Register by 30 June 2017	In house	Yes	2 Years	Completed	None	4	Good

MEASURES TAKEN TO IMPROVE PERFORMANCE

ROOT CAUSES FOR THE POOR PERFORMANCE

- Some of the targets were amended to not achieve due to the non-submission of evidence
- No PMS responsibilities assigned to staff lower than assistant managers

CORRECTIVE ACTIONS

- PMS will be embedded in our daily tasks
- PMS will be a standing item on our management committee meetings.
- PMS will be cascaded to the assistant managers.
- Responsibilities will then be assigned to the staff lower than the assistant managers.
- Where possible, it will be cascaded to the level lower than assistant managers.

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS

Disclosures Of Financial Interests		
Period 1 July 2016 To 30 June 2017		
Position	Name	Description Of Financial Interests* (Nil / Or Details)
(Executive) Mayor	Nomsa Sanny Mtsweni	Nil
Speaker	Nompumelelo Evidence Hlope	Nil
Chief Whip	Joyce Johanna Tau	Nil
Member Of Mayco / Exco	Lillian Martha Tshabangu	Nil
	Maria Poppy Msiza	Nil
	Thomas Lebandla Mabena	King Makhosonke Agricultural Primary Co-Operative
		Komjeks
		Matjhuba Primary Co-Operative Limited
	Theletji James Makhwiting	Bashomi Agricultural Primary Co-Operative Limited
		Simesabatha Primary Co-Operative Limited
	Nomasonto Emmah Phakathi	Umkhumbi Ohambayo Mining Primary Co-Operative
		Thembifundo Ikusasa Lakho Services Primary Co-Operative
		Siragela Phambili Services Primary Co-Operative Limited
		Thoma Ganyane Secondary Co-Operative Limited
		Botlhabatsatsi Secondary Co-Operative Limited
Councillors	Thabisile Elsie Mashinini	Nil
	Emelinah Mavis Mathibela	Abakwethu Electrician Primary Co-Operative Limited

Disclosures Of Financial Interests		
Period 1 July 2016 To 30 June 2017		
Position	Name	Description Of Financial Interests* (Nil / Or Details)
	Lindiwe Thembi Skosana	Si- Busy - Njan Agricultural Primary Co-Operative Limited
	Thokozile Egnes Motanyane	Nil
	Laza Elsie Jiyane	Mjadeko Trading And Projects Co-Operative Limited
	Marcia Msiza	Nil
	Zanele Maseko	Nil
	Sonto Rose Nhlapho	Nil
	Nomatjeni Nellie Msiza	Bonginkosi Construction Co-Operative Limited
	Piet Thapelo Kekana	Nil
	Remenky Stephinah Molefe	Nil
	Steven Boshego	Sebenza-Shuma Constructions And Projects
	Alicia Lebohang Dhlamini	Ilitshe Lembube Trading And Projects
		Lwazi Professional Driving School
	Vusi Amos Msibi	Nil
	Ntombi Mitta Motaung	Nil
Councillors	Matalanyane Lucas Moloko	Nil
	Nompumelelo Merriam Mahlangu	Nil
	Toenkie Linah Masilela	Nil
	Ivy Mando Mahlangu	Nil
	Maria Adelaide Mokwena	Nil
	Thabo John Tibane	Siseganomlambo Projects Primary Co-Operative Limited
	Jan Masaka Makhubela	Ajanda Enterprise
	Rubber Qaliwe Mtsweni	Sizwene Driving Academy Primary Co-Operative Limited
		Dr JS Moroka And Thembisile Huny Driving School And Taxi Association
	Mqosh Paulus Mashaba	Nil
	Amos Mahlangu	Nil
	Dipolelo Sinah Mampuru	Tlala Tsamaya Primary Co-Operative Limited

Disclosures Of Financial Interests		
Period 1 July 2016 To 30 June 2017		
Position	Name	Description Of Financial Interests* (Nil / Or Details)
		Bashomi Agricultural Primary Co-Operative Limited
	Pheneus Doctor Makatu	Shomalerena Co-Operative Limited
	Mitopi Andries Motena	Iketleng Hospitality And Development
		Siwuruwuru Trading Enterprise
	Sipho Koos Ngoma	Friends Indeed Consortium
	Koos Vusi Jiyane	Nil
	Moses Michael Mahlangu	Nil
	Mbebenzi Ben Mabena	Nil
	Joseph Elias Mthimunye	Nil
	Maria Thruddy Nobela	Nil
	Sgaule Timothy Mnisi	SMB Trading
	Sipho Masango	Nil
	Christinah Ndlelehle Mahlangu	Mammabolo Waste Management And Greening
		Kagiso Development Co-Operative Limited
		Hlanganani Transport And Cleaning Equipment And Supplies
		Esiqongolweni Agricultural And Projects Primary Co-Operative Limited
	James Simausu Msiza	Abanqobi Secondary Co-Operative Limited
	Alexcious Sphiwe Madyungu	Hikhensile Trading Enterprise
	Josephinah Lindiwe Mahlangu	Nil
	Samuel Bongani Mogoboya	Dimoko Distribution Amo Project
	Maria Qhubeni Mnguni	Nil
	Mzwandile Obed Sikosana	Nil
	Seisiwe Jack Masango	Nil
	Norman Ngoma	Mayibuye Agricultural And Poultry
	Nimrod Boitumelo Malefo	BK Arts Projects And Construction

Disclosures Of Financial Interests		
Period 1 July 2016 To 30 June 2017		
Position	**Name**	**Description Of Financial Interests* (Nil / Or Details)**
	Bongani Victor Msibi	Nil
Councillors	Dumisani Chrescent Fakude	Zamambala Paving
	Jan Sizwe Mahlangu	Bavukile Empumalanga Agricultural Co-Operative Limited
		Tshidelani Primary Co-Operative Limited
	Masotja Petrus Nduli	Nil
	Dini Samson Skosana	Sohlala Siphumelela Primary Co-Operative Limited
	Khulisile April Msiza	Karabilwe Transport And Projects
	Patrick Vusi Mahlangu	Mnotho Four Multi-Purpose Co-Operative Limited
		Mnotho For Trading Enterprise
	Gideon Mahlangu	Vezulwazi Building And Projects Co-Operative Limited
	Vusimuzi Vincent Skosana	Nil
	Oria Mpheto Mabelwane	Nil

Municipal Manager	O.N Nkosi	Gbu Holdings 2013/206266/07
		Samketsi 2013/074623/07
		Uhambo Petroleum 2015/023315/07
Chief Financial Officer	Bongumusa Benedict Sithole	Nil
Deputy Mm And (Executive) Directors		
Other S57 Officials	Prometheus S Mabuza	Sweli Trading Enterprise Pty Ltd
	Raisibe Francina Morudu	Nil
	Ntg Kubheka	Kiciza Trading Enterprise

* Financial Interests To Be Disclosed Even If They Incurred For Only Part Of The Year. See Mbrr Sa34a

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance By Vote

Note:R' 000 On Total Revenue

	2015/2016	2016/2017			2016/2017	
Vote Description	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 104	364 962	75 324 921	75 324 921	90 102 420	1655.78%	75.29%
Vote 105	125 424	411 027	411 027	1 771 733	1044.29%	203.25%
Vote 107	1 521	4 603	4 603 349	3 432 002	63.77%	101.38%
Vote 108	7 878	6 702 923	9 301 923	9 295 079	120.20%	86.62%
Vote 300	164	201 170	219 395	304 936	151.58%	138.99%
Vote 500	0	0	0	0	0	0
Vote 520	26 972	32 645 345	32 645 345	32 661 021	258.55%	222.66%
Vote 530	38 703	0	0	0	0	0
Vote 540	135 059	105 460 287	105 460 287	145 607 235	51.06%	150.31%
Vote 560	1 877	556 594	2 224 293	2 293 008	88.31%	117.56%
Total Revenue By Vote	**702 560**	**221 306 870**	**230 190 540**	**285 467 434**	**117.34%**	**86.84%**

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding Mig R						
Details	Budget	Adjust-Ments Budget	Actual	Variance		Major Conditions Applied By Donor (Continue Below If Necessary)
				Budget	Adjust-Ments Budget	
Neighbourhood Development Partnership Grant	0	0	0			
Fmg	1 625 000	1 625 000	1 625 000	0%	0%	
Msig	0	0	0	0%	0%	
Epwp	2 244 000	2 244 000	2 244 000	0%	0%	
Water Operating Subsidy	19 000 000	19 000 000	29 000 000	0%	0%	
Inep	0	0	0	0%	0%	
Total	22 869 000	22 869 000	32 869 000	0%	0%	

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme* R '000							
Description	2012/2013	2014/2015			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	Fy + 1	Fy + 2	Fy + 3
<u>Capital Expenditure By Asset Class</u>							
<u>Infrastructure - Total</u>	–	111 2501	111 736	75 788	–	–	–
Infrastructure: Road Transport - Total	–	0	3 902	3 149	–	–	–
Roads, Pavements & Bridges		0	3 902	3 149			
Storm Water							
Infrastructure: Electricity - Total	–	2 081	6 738	6 941	–	–	–
Transmission & Reticulation							
Street Lighting		2 081	6 738	6 941			
Infrastructure: Water - Total	–	99 169	94 320	59 614	–	–	–
Dams & Reservoirs							
Water Purification		99 169					
Reticulation			94 320	59 614			
Infrastructure: Sanitation - Total	–	10 000	6 000	5 308		–	–
Reticulation							
Sewerage Purification		10 000	6 000	5 308			
Infrastructure: Other - Total	–	0	776	776	–	–	–
Waste Management							
Transportation							
Gas							

Other		0	776	776			
Community - Total	–	–	–	–	–	–	–

APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2016/17

Location	Project Description	Revised Annual Target 2016/2017	Adjusted Annual Budget (Input Indicator' 000)	2016/17 Actual Performance	Expenditure To Date
Kwamlanga	New Reservoir And Pipeline At Kwa-Mhlanga – Phase 2	New Dedicated 5.4km Pipeline From New Reservoir To Existing Pipeline Which Split To Two Areas Phola Park , & Thembalethu And Mountain View And Sheldon Extension By 30 June 201	R 30,589,680	1 new dedicated5.0km pipeline from new reservoir to existing pipeline which split to two areas pholapark and thembalethu has been completed	R 27 850 512.92
Kwaggafontein, Mthyzensloop And Boekenhouthoek	Upgrading Of Kwaggafontein Water Scheme – Phase 2	1 Bulk Water Scheme Upgraded By 30 June 2017	R23,000,000	5.2 km of pipe installed from kwaggafontein reservoirs to boekenhouthoek reservoir upgraded with 335mm upvc class 9 for 6.8km	R 25 915 951.01
Boekenhouthoek And Bundu	Upgrading Of Existing Infrastructure From Agricultural Project To Augment Borehole Water Supply In Bundu.	1 Bulk Water Scheme Upgraded By 3o June 2017	R31,084,891	Backfilling of 1.46 km bulk supply line from bundu to boekenhoet-hoek has been completed Backfilling of 4.465km bulk supply line from bundu to reservoir boekenhout-hoek has been completed	R 39 480 595.20

Location	Project Description	Revised Annual Target 2016/2017	Adjusted Annual Budget (Input Indicator 000)	2016/17 Actual Performance	Expenditure To Date
Suncity C	Water Reticulation Sun City C	200 Households Connected To Yard Taps	R7,140,000	148 Households connected to yard taps has been completed.	R 6 053 326.45
Enkeldoornog B	Upgrading Of Enkeldoornog B Water Infrastructure	1 Interconnection Of 1000 To 500mm Bulk Line At Enkeldoornong B By 30 June 2017	R 2,620,000	1 interconnection from 1000 to 500mm pipeline (r 2 200 000)	R 3 843 344.04
Verena,Moloto,Kwaggafontein	Refurbishment Of Boreholes(Verena,Moloto,Kwaggafontein)	6 Boreholes Refurbished ((Verena,Moloto,Kwaggafontein) By 30 June 2017	R 2,230,526	Site establishment and procurement of material.	R 820 012.71
Luthuli	Luthuli Waste Water Treatment Works (Multi-Year Project)	1 Waste Water Treatment Plant Developed By 30 June 2017	R5,816,169	Appointment of service provider has been completed.	R6 112 303.11
Tweefontein K	Upgrading Of Wwtw Tweefontein K	1 Wwtw Upgraded 30 June 2017	R211,529	The project has been re-advertised	R 0.00
Mabhoko	Mabhoko Cemetery Road	1 Design Completed For Mabhoko Cemetry Road By 30 June 2017	R 500 000.00	1 design completed for mabhoko cemetery road	R270 422.67

Location	Project Description	Revised Annual Target 2016/2017	Adjusted Annual Budget (Input Indicator' 000)	2016/17 Actual Performance	Expenditure To Date
Various Wards	Highmast Lights And Street Lights (Thlm	12 Highmast Lights And 134 Street Lights Maintained By 30th June 2017	R8,436,004	12 highmast lights and 134 street lights have been maintained	R1 583 148.45

APPENDIX O - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

For current financial year there is no service backlogs experienced by the community whereby another sphere of government is responsible for service provision.however the municpality has collected priority needs information from the community during public participation meetings.

APPENDICES

VOLUME II:AUDITED ANNUAL FINANCIAL STATEMENTS (ANNEXURE A)

THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2017

General Information

Mayoral committee	
Executive Mayor	Cllr Nomsa Sanny Mtsweni
Speaker	Cllr Nompumelelo Evidence Hlope
Chief whip	Cllr Joyce Johannah Tau
Members of Executive Committee	Cllr Lillian Martha Tshabangu
	Cllr Thomas Lebandla Mabena
	Cllr Maria Poppy Msiza
	Cllr Theletji James Makhwiting
	Cllr Noma onto Emmah Phakathi
Councillors	Cllr Amos Mahlangu
	Cllr Dipolelo Sinah Mampuru
	Cllr Pheneus Doctor Makatu
	Cllr Mitie Andries Motena
	Cllr Sipho Koos Ngoma
	Cllr KoosVusi Jiyane
	Cllr Moses Michael Mahlangu
	Cllr Mbebenzi Ben Mabena
	Cllr Joseph Elias Mthimunye
	Cllr Maria Thruddy Nobela
	Cllr Sgaule Timothy Mnisi
	Cllr Sipho Masango
	Cllr Christinah Ndlelehle Mahlangu
	Cllr James Simausu Msiza
	Cllr Alexclous Sphiwe Madyungu
	Cllr Josephinah Lindiwe Mahlangu
	Cllr Samuel Bongani Mogoboya
	Cllr Maria Qhubeni Mnguni
	Cllr Mzwandile Obed Sikosana
	Cllr Seisiwe Jack Masango
	Cllr Norman Ngoma
	Cllr Nimrod Boitumelo Malefo
	Cllr Bongani Victor Msibi
	Cllr Dumisani Chrescent Fakude
	Cllr Jan Sizwe Mahlangu
	Cllr Masotja Petrus Nduli
	Cllr Dini Samson Skosana
	Cllr Khulise April Msiza
	Cllr Patrick Vusi Mahlangu
	Cllr Gideon Mahlangu
	Cllr Vusimuzi Vincent Skosana
	Cllr Corla Mpheto Mabelwane
	Cllr Thabisile Elsie Mashinini
	Cllr Emelinah Mavis Mathibela
	Cllr Lindiwe Thembi Skosana
	Cllr Thokozile Egnes Motanyane
	Cllr Laza Elsie Jiyane
	Cllr Marcia Msiza
	Cllr Zanele Maseko
	Cllr Sonto Rose Nhlapho
	Cllr Nomatjeni Nellie Msiza

General Information

	Cllr Piet Thapelo Kekana Cllr Remenky Stephinah Molefe Cllr Steven Boshego Cllr Alicia Lebohang Dhlamini Cllr Vusi Amos Msibi Cllr Ntombi Mitta Motaung Cllr Matalanyane Lucas Mokolo Cllr Nompumelelo Merriam Mahlangu Cllr Toenkie Linah Masilela ICllr vy Mando Mahlangu Cllr Maria Adelaide Mokwena Cllr Thabo John Tibane Cllr Jan Masaka Makhubela Cllr Rubber Qaliwe Mtsweni Cllr Mqosh Paulus Mashaba
Grading of local authority	Grade 3
Accounting Officer	Mr ON Nkosi
Business address	24 Kwaggafontein C Kwaggafontein 3100
Postal address	Private Bag X4041 Empumalanga 0458
Bankers	Nedbank

Audited
By
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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Accounting officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the THLM Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the THLM Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on pages 7 to 62, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed on its behalf by:

MR. ON Nkosi
MUNICIPAL MANAGER

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By
2017 -11- 30
Auditor-General South Africa

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2017.

1. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

2. Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Surname and Initials	Position	Attendance
SAB Ngbeni	AC Chairperson	06 of 06
BTA Matabane	AC member	06 of 06
Z Nzimande	AC member	05 of 06

3. The Effectiveness of Internal Control

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing qualification issues of previous year. Furthermore, there are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. However, the Audit Committee notes management's commitment and action plan to correct deficiencies.

4. In-Year Management and Monthly/Quarterly Report

The municipality does not have an effective monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Furthermore, there is a room for improvement in so far as monitoring and reviews of financial and performance information on a periodically.

5. Performance Management

The AC reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously.

6. Risk Management

The AC is of the opinion that municipality's risk management appears to be effective for the better of the year and material respect, and the municipality did implement a comprehensive risk management strategy and related policies. Management has a sound and effective approach has been followed in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. However, there is a room for improvement in so far as fraud prevention.

7. Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Audit Committee, AGSA, and Internal Audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

8. Internal Audit

The AC is satisfied with the effectiveness of Internal Audit, and commend Management and Council for capacitating this unit. The above conclusion is based on:

- Timeous approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organisational structure of the Internal Audit Unit;
- Satisfactorily implementation of the approved the annual internal audit plan and all major changes to the plan.
- There were no unjustified restrictions or limitations on work of the internal audit.

Audit Committee Report

- Compliance with the IIA's international standards for the professional practice by Internal Auditing unit
- Partial implementation of remedial action plan on internal audit findings by management.
-

9. External Audit

The AC did review the Auditor-General's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2016/17 financial year.

10. Progress in implementation of AGSA findings from prior year

36 of 90 were implemented by management at the time of this report. There is a room for improvement in this regard and AC recommended to municipality to prioritise the implementation of recommendations by AGSA.

11. Progress on implementations of Internal audit recommendations

37 of 76 internal audit recommendations were implemented by management satisfactorily. There is a room for improvement in this regard and thus, AC recommended to municipality to prioritise the implementation of recommendations by Internal Audit.

12. Implementations of Audit Committee Recommendations by management

51 of 87 audit committee recommendations by management were implemented satisfactorily. There is a room for improvement in this regard and thus, AC recommended to municipality to fastrack the implementation of recommendations by Audit Committee.

13. Conclusion

The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. The stability in terms of the political and administrative leadership of the municipality has contributed to these improvements report above. We would also like to thank the Executive Mayor for his support, Councillors, senior management for their efforts and internal audit for their contribution.

SAB Ngobeni (Mr)
Chairperson of the Audit Committee
Thembisile Hani Local Municipality
20 August 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017 R	2016 Restated* R
Assets			
Current Assets			
Inventories	5	45 011 717	56 896 345
Receivables from exchange transactions	6&9	38 493 578	25 296 701
Receivables from non-exchange transactions	7&9	13 965 183	8 463 508
VAT receivable	8	10 714 319	15 614 572
Cash and cash equivalents	10	69 586 376	68 832 925
		177 771 173	**175 104 051**
Non-Current Assets			
Property, plant and equipment	2	1 771 587 288	1 702 166 535
Intangible assets	3	1 078 085	415 115
		1 772 665 373	**1 702 581 650**
Total Assets		**1 950 436 546**	**1 877 685 701**
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	65 101 326	87 880 310
Payable from non-exchange transactions		1 966 245	1 704 326
Unspent conditional grants and receipts	12	-	21 142 981
Provisions	13	2 644 750	2 490 253
		69 712 321	**113 217 870**
Non-Current Liabilities			
Employee benefit obligation	4	7 346 000	7 015 000
Provisions	13	16 679 715	15 658 173
		24 025 715	**22 673 173**
Total Liabilities		**93 738 036**	**135 891 043**
Net Assets		**1 856 698 510**	**1 741 794 658**
Reserves			
Revaluation reserve	11	207 577 510	207 577 510
Accumulated surplus		1 649 121 000	1 534 217 148
Total Net Assets		**1 856 698 510**	**1 741 794 658**

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Mpumalanga Business Unit

Statement of Financial Performance

Figures in Rand	Note(s)	2017 R	2016 Restated* R
Revenue			
Revenue from exchange transactions			
Service charges	16	154 971 349	102 776 445
Rental of facilities and equipment	17	850 472	622 205
Interest received	18	48 729 020	38 179 412
Total revenue from exchange transactions		**204 550 841**	**141 578 062**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	19	40 725 577	32 671 147
Transfer revenue			
Government grants and subsidies	21	533 393 981	516 085 505
Licences and permits	22	7 726 179	7 042 658
Public contributions and donations	23	19 058 009	13 480 181
Fines		1 725 894	2 131 527
Other income		5 164 942	923 430
Total revenue from non-exchange transactions		**607 794 582**	**572 334 448**
Total revenue	15	**812 345 423**	**713 912 510**
Expenditure			
Employee related costs	24	(111 186 174)	(104 756 078)
Remuneration of councillors	25	(21 045 778)	(20 009 377)
Depreciation and amortisation	26	(82 552 517)	(83 973 029)
Finance costs	27	(3 611)	(395 605)
Rental of office equipment		(1 088 374)	(957 695)
Debt impairment	28	(184 979 354)	(168 588 499)
Repairs and maintenance		(2 704 729)	(1 092 153)
Bulk purchases	30	(114 276 853)	(119 250 318)
Grants and subsidies paid	20	(108 332 949)	(77 611 790)
General expenses	31	(77 717 159)	(69 587 989)
Total expenditure		**(703 887 498)**	**(646 222 513)**
Operating surplus		**108 457 925**	**67 689 997**
Loss on disposal of assets and liabilities		(1 122 655)	(5 492 210)
Decrease in leave and bonus provision	32	(153 117)	224 301
Amnesty written off	29	(2 216 027)	-
		(3 491 799)	**(5 267 909)**
Surplus for the year		**104 966 126**	**62 422 088**

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Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	100 345 235	1 385 885 188	1 486 230 423
Adjustments			
Prior year error*	107 232 275	31 311 125	138 543 400
Prior year adjustments*	-	54 598 747	54 598 747
Balance at 01 July 2015 as restated*	**207 577 510**	**1 471 795 060**	**1 679 372 570**
Changes in net assets			
Surplus for the year	-	62 422 088	62 422 088
Total changes	-	62 422 088	62 422 088
Opening balance as previously reported	207 577 510	1 534 217 148	1 741 794 658
Adjustments			
Prior year adjustments*	-	9 437 080	9 437 080
Restated* Balance at 01 July 2016 as restated*	**207 577 510**	**1 544 154 874**	**1 751 732 384**
Changes in net assets			
Surplus/(Deficit) for the year	-	104 966 126	104 966 126
Total changes	-	104 966 126	104 966 126
Balance at 30 June 2017	**207 577 510**	**1 649 121 000**	**1 856 698 510**
Note(s)	11		

The * refers to the calculation of the net total of R 95 346 952. Refer to note 38 retained income: Prior Period error that reflects the same amount.

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
Cash flows from operating activities			
Receipts			
Taxation		46 029 748	26 404 676
Sale of goods and services		27 645 671	129 081 425
Grants		442 547 000	428 430 000
Interest income - trading and investments		10 426 157	10 066 429
Other receipts		22 598 536	21 689 988
		549 247 112	615 672 518
Payments			
Employee costs		(134 666 534)	(121 790 971)
Suppliers		(106 785 069)	(291 740 062)
Finance costs		(3 611)	(395 605)
		(241 455 214)	(413 926 638)
Net cash flows from operating activities	33	**307 791 898**	**201 745 880**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(306 165 544)	(219 323 739)
Purchase of other intangible assets	3	(662 970)	(29 433)
Loss from sale of inventory: Stands held for sale		(209 933)	-
Net cash flows from investing activities		**(307 038 447)**	**(219 353 172)**
Net increase/(decrease) in cash and cash equivalents		**753 451**	**(17 607 292)**
Cash and cash equivalents at the beginning of the year		68 832 925	86 440 218
Cash and cash equivalents at the end of the year	10	**69 586 376**	**68 832 926**

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THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	93 853 768	44 230 403	**138 084 171**	154 971 349	**16 887 178**	Due to the uploading of supplemantary valuationroll and also prior year error correction(s)
Rental of facilities and equipment	572 106	(130 979)	**441 127**	850 472	**409 345**	More revenue collected than anticipated because more uses utilised the rented facilities
Interest received - investment	23 622 142	9 952 218	**33 574 360**	48 729 020	**15 154 660**	More money was invested with intermediaries than anticipated and also more interest were charged on consumer account because of less payment made
Total revenue from exchange transactions	**118 048 016**	**54 051 642**	**172 099 658**	**204 550 841**	**32 451 183**	

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THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	41 379 809	212 321	**41 592 130**	40 725 577	**(866 553)**	More revenue was collected because of additional consumers added to the data base for billing purposes
Other taxation revenue 1	381 028	(246 846)	**134 182**	-	**(134 182)**	
Transfer revenue						
Government grants and subsidies	453 690 000	10 000 000	**463 690 000**	533 393 981	**69 703 981**	Additional funds were received from DWA on WSIG and also Grant in-kind allocated to the municipality of which was not included in the budget
Licences and permits	6 403 600	3 000 000	**9 403 600**	7 726 179	**(1 677 421)**	Less revnue received than projected because less consumers paid
Public contributions and donations	-	-	-	19 058 009	**19 058 009**	Received fromNkangala District Municipality
Fines, Penalties and Forfeits	585 658	(400 408)	**185 250**	1 725 894	**1 540 644**	More revenue was collected than anticipated because more tickets where issued by traffic officer that projected

THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Other income	6 363 537	(1 831 817)	**4 531 720**	5 164 942	**633 222**	More revenue was collected than anticipated because more consumers pay their accounts and also because of the amnesty given to the consumers by the municipality.
Total revenue from non-exchange transactions	**508 803 632**	**10 733 250**	**519 536 882**	**607 794 582**	**88 257 700**	
Total revenue		**626 851 648**	**64 784 892**	**691 636 540**	**812 345 423**	**120 708 883**
Expenditure						
Personnel	(119 510 090)	(5 689 869)	**(125 199 959)**	(111 186 174)	**14 013 785**	Less payments because of vacant posts which are not filled and also there were employees wet to pension and those posts were not filled
Remuneration of councillors	(21 593 399)	(46 474)	**(21 639 873)**	(21 045 778)	**594 095**	The budget was more projected than payments
Depreciation and amortisation	(160 966 106)	-	**(160 966 106)**	(82 552 517)	**78 413 589**	Less depreciation was incurred because of less prior year error corrections than projected
Finance costs	-	-	-	(3 611)	**(3 611)**	Due to the late payment of creditors

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Lease rentals on operating lease	(532 150)	(301 051)	**(833 201)**	(1 088 374)	**(255 173)**	Additional contracts were entered and this resulted to additional expenditure
Debt Impairment	(65 196 150)	(96 118 777)	**(161 314 927)**	(184 979 354)	**(23 664 427)**	Higher debt impairment was incurred than anticipated because of prior year error correction
Repairs and maintenance	(3 864 363)	(10 000)	**(3 874 363)**	(2 704 729)	**1 169 634**	More payments were made than projected because more repairs were made
Bulk purchases	(129 494 397)	4 054 397	**(125 440 000)**	(114 276 853)	**11 163 147**	less water was supplied and this resulted to the less payment made
Government grants and subsidies	(25 533 982)	(13 691 001)	**(39 224 983)**	(108 332 949)	**(69 107 966)**	More commitments were made than budgeted because more free basic services were given to consumers
General expenses	(83 170 507)	(27 851 849)	**(111 022 356)**	(77 717 159)	**33 305 197**	Less commitments and payments were made than budgeted
Total expenditure	**(609 861 144)**	**(139 654 624)**	**(749 515 768)**	**(703 887 498)**	**45 628 270**	
Operating surplus	**16 990 504**	**(74 869 732)**	**(57 879 228)**	**108 457 925**	**166 337 153**	
Loss on disposal of assets and liabilities	-	-	-	(1 122 655)	**(1 122 655)**	Loss non - current assets which were not budgeted for

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Provision for Bonus	(6 058 120)	-	**(6 058 120)**	(153 117)	**5 905 003**	More leave were taken by employees compared than the previous
	(6 058 120)	**-**	**(6 058 120)**	**(1 275 772)**	**4 782 348**	-
Surplus before taxation		**10 932 384**	**(74 869 732)**	**(63 937 348)**	**107 182 153**	**171 119 501**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement		**10 932 384**	**(74 869 732)**	**(63 937 348)**	**107 182 153**	**171 119 501**

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Audited
By
2017 -11- 30

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Accounting Policies

1.4 Property, plant and equipment (continued)

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	50
Infrastructure	Straight line	
• Roads and Stormwater		25-50
• Reservoirs		50
• Electrical		25
Community	Straight line	
• Buildings		50
• Recreational Facilities		50
• Halls		50
Other property, plant and equipment	Straight line	
• Property, Plant and Equipment		5-10
• IT Equipment		3-5
• Office Equipment		3-7

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

1.4 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Accounting Policies

1.6 Intangible assets (continued)

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

1.7 Financial instruments (continued)

Derecognition is the removal of a previously recognised financial asset or financial liability from the entity statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

1.7 Financial Instruments (continued)

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

1.7 Financial instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard of GRAP on Statutory Receivables) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

1.8 Statutory receivables (continued)

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

1.11 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow:
[Specify criteria]

1.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:
- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

1.13 Employee benefits (continued)

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

1.14 Provisions and contingencies (continued)

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.24 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 VAT

Value-added Tax (VAT) The municipality is registered with the South African Revenue Services (SARS) for VAT on the cash payments basis, in accordance with Section 15 (2) of the VAT Act (Act No 89 of 1991)

2. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	205 094 007	(47 184 595)	157 909 412	205 094 006	(45 223 120)	159 870 886
Plant and machinery	3 545 105	(1 956 052)	1 589 053	3 366 528	(1 164 521)	2 202 007
Furniture and fixtures	4 059 731	(2 494 970)	1 564 762	3 945 374	(2 064 858)	1 880 516
Motor vehicles	43 162 061	(33 819 080)	9 342 982	43 251 750	(27 015 235)	16 236 515
Office equipment	1 493 206	(695 275)	797 931	1 229 145	(492 620)	736 525
Computer equipment	4 376 254	(2 067 196)	2 309 057	3 623 499	(1 218 069)	2 405 430
Infrastructure	2 555 405 061	(1 176 869 525)	1 378 535 536	2 349 525 825	(1 126 248 408)	1 223 277 417
Community	362 363 145	(201 361 624)	161 001 521	362 260 092	(192 623 095)	169 636 997
Assets under construction	58 537 870	-	58 537 870	125 920 242	-	125 920 242
Total	**3 238 036 441**	**(1 466 448 317)**	**1 771 588 124**	**3 098 216 461**	**(1 396 049 926)**	**1 702 166 535**

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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Total
Land and Buildings	159 870 886	-	-	-	-	(1 961 474)	157 909 412
Plant and machinery	2 202 007	178 576	-	-	-	(791 537)	1 589 053
Furniture and fixtures	1 880 516	83 272	-	31 083	-	(430 232)	1 564 639
Motor vehicles	16 236 515	-	-	-	-	(6 893 536)	9 342 979
Office equipment	736 525	239 359	-	24 702	-	(202 661)	797 925
Computer equipment	2 405 430	687 012	-	65 742	-	(849 148)	2 309 036
Infrastructure	1 223 277 417	199 945 834	(912 722)	18 910 164	-	(62 685 157)	1 378 535 536
Community	169 636 997	103 053	-	-	-	(8 738 529)	161 001 521
Assets under construction	125 920 242	104 928 438	-	-	(172 310 809)	-	58 537 871
	1 702 166 535	**306 165 544**	**(912 722)**	**19 031 691**	**(172 310 809)**	**(82 552 274)**	**1 771 587 972**

Notes to the Annual Financial Statements

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2. **Property, plant and equipment (continued)**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Total
Land and Buildings	162 004 055	-	-	-	-	(2 133 169)	-	159 870 886
Plant and machinery	6 965 123	475 857	(3 591 919)	-	-	(1 647 049)	(5)	2 202 007
Furniture and fixtures	2 434 127	-	(160 408)	-	-	(393 083)	(120)	1 880 516
Motor vehicles	24 179 543	494 665	(1 031 621)	-	-	(7 406 070)	(2)	16 236 515
Office equipment	954 163	12 547	(51 541)	-	-	(178 637)	(7)	736 525
Computer equipment	3 541 805	118 996	(404 460)	-	-	(850 890)	(21)	2 405 430
Infrastructure	1 184 872 605	92 288 550	(252 261)	9 944 638	-	(63 576 115)	-	1 223 277 417
Community	173 937 469	-	-	3 487 543	-	(7 788 015)	-	169 636 997
Assets under construction	84 672 729	125 933 124	-	-	(84 685 611)	-	-	125 920 242
	1 643 561 619	**219 323 739**	**(5 492 210)**	**13 432 181**	**(84 685 611)**	**(83 973 028)**	**(155)**	**1 702 166 535**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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3. Intangible assets

	2017			2016		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software, other	1 078 085	-	1 078 085	415 115	-	415 115

Reconciliation of intangible assets - 2017

	Opening balance	**Additions**	**Total**
Computer software, other	415 115	662 970	1 078 085

Reconciliation of intangible assets - 2016

	Opening balance	**Additions**	**Total**
Computer software, other	385 682	29 433	415 115

4. Employee benefit obligations

Long service bonus awards

The municipality's defined benefit obligation consists of an obligation to pay out a bonus in the year of the employee attaining the required service. This obligation represent a liability to the municipality and the value is represented by the present value of the total defined benefit obligation expected to become payable under the municipality's current policy.

The municipality offers bonuses for every 5 years of completed service from 10 years to 45 years.

The amounts recognised in the statement of financial position are as follows:

	2017	2016
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(7 346 000)	(7 015 000)

The most recent actuarial valuation of the present value of the long service award bonus were carried out at 30 June 2016 by One Pagaea Financials. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the Projected Unit Credit Method.

Net expense recognised in the statement of financial performance

	2017	2016
Current service cost	1 120 000	861 000
Interest cost	624 000	428 000
Actuarial (gains) losses	(1 098 000)	1 037 000
Settlement	(315 000)	(608 000)
	331 000	**1 718 000**

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4. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Duration of Liabilities in years	9,29	9,45
Assumed retirement age (years)	63	63
Discount rates used	8,89 %	9,10 %
Medical cost trend rates	5,68 %	6,72 %
Expected increase in salaries	6,68 %	7,72 %

Sensitivity analysis

The valuation basis assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the bonuses payable) will be 1,15% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the salary inflation rates is as follows:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	8 026 000	6 745 000
Effect on defined benefit obligation	1 659 000	1 366 000

As per the table above , a 1% increase in the salary increase rate results in a 9.26% increase in the accrues liability whilst a 1% decrease in the salary increase rate will result in a 8.18% decrease in the accrued liability.

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Figures in Rand	2017	2016

5. Inventories

Inventories: Land held for sale	43 516 015	44 710 680
Water	432 602	11 898 396
Stores and materials	1 063 100	287 269
	45 011 717	**56 896 345**

During the 2016-2017 financial year the municipality incurred losses on sale of stands to the amount of R209 933 (2015-2016 RNil). This amount is disclosed in the Statement of financial performance as part of losses on disposal of assets.

During the 2016-2017 the municipality incurred water distribution losses to the value of R 13 534 916 (2015-2016: R15 075 116) are in excess of original cost. Inventory is now stated at its original cost.

6. Receivables from exchange transactions

Deposits	83 300	83 300
Trade creditors with debit balances	3 023 192	3 109 162
Debtors shortages	45 010	65 010
Sundry debtors	328 887	213 917
Consumer debtors - Water	25 420 534	15 845 775
Consumer debtors - Sewerage	479 633	298 977
Consumer debtors - Refuse	9 113 022	5 680 560
	38 493 578	**25 296 701**

7. Receivables from non-exchange transactions

Traffic fines	1 015 099	416 753
Consumer debtors - Rates	12 950 084	8 046 755
	13 965 183	**8 463 508**

Reconciliation of receivables from non-exchange transactions

Opening balance	153 339 005	-
Provision for impairment	35 601 643	167 790 330
Amounts written off as uncollectible	(13 978 405)	(14 451 325)
	174 962 243	**153 339 005**

8. VAT receivable

VAT Receivable	56 728 868	42 019 248
VAT Payable	(46 014 549)	(26 404 676)
	10 714 319	**15 614 572**

All VAT returns have been submitted by the due date throughout the year.

9. Consumer debtors disclosure

Gross balances		
Consumer debtors - Rates	215 834 729	160 935 106
Consumer debtors - Water	423 675 579	316 915 496
Consumer debtors - Sewerage	7 993 879	5 979 538
Consumer debtors - Refuse	151 883 698	113 611 215
	799 387 885	**597 441 355**

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9. Consumer debtors disclosure (continued)

	2017	2016
Less: Allowance for impairment		
Consumer debtors - Rates	(202 884 645)	(152 888 351)
Consumer debtors - Water	(398 255 045)	(301 069 721)
Consumer debtors - Sewerage	(7 514 246)	(5 680 561)
Consumer debtors - Refuse	(142 770 676)	(107 930 655)
	(751 424 612)	**(567 569 288)**

	2017	2016
Net balance		
Consumer debtors - Rates	12 950 084	8 046 755
Consumer debtors - Water	25 420 534	15 845 775
Consumer debtors - Sewerage	479 633	298 977
Consumer debtors - Refuse	9 113 022	5 680 560
	47 963 273	**29 872 067**

	2017	2016
Included in above is receivables from exchange transactions		
Water	25 420 535	15 559 969
Sewerage	479 633	293 585
Refuse	9 113 023	5 578 103
	35 013 191	**21 431 657**

	2017	2016
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	774 856 557	7 926 776
Other (specify)	(561 232 091)	(3 421 863)
	213 624 466	**4 504 913**
Net balance	**248 637 657**	**25 936 570**

	2017	2016
Rates		
Current (0 -30 days)	4 381 013	2 722 217
31 - 60 days	2 349 145	1 459 681
61 - 90 days	273 247	169 787
91 - 120 days	257 707	160 130
121 - 365 days	1 074 857	667 881
> 365 days	4 614 115	2 867 059
	12 950 084	**8 046 755**

	2017	2016
Water		
Current (0 -30 days)	8 599 767	5 360 626
31 - 60 days	4 611 285	2 874 424
61 - 90 days	536 373	334 346
91 - 120 days	505 869	315 331
121 - 365 days	2 109 904	1 315 199
> 365 days	9 057 336	5 645 849
	25 420 534	**15 845 775**

	2017	2016
Sewerage		
Current (0 -30 days)	162 260	101 144
31 - 60 days	87 005	54 234
61 - 90 days	10 120	6 309
91 - 120 days	9 545	5 951
121 - 365 days	39 810	24 814
> 365 days	170 893	106 525
	479 633	**298 977**

Figures in Rand	2017	2016

9. Consumer debtors disclosure (continued)

Refuse		
Current (0 -30 days)	3 082 935	1 921 734
31 - 60 days	1 653 102	1 030 454
61 - 90 days	192 285	119 860
91 - 120 days	181 349	113 043
121 - 365 days	756 381	471 486
> 365 days	3 246 970	2 023 983
	9 113 022	**5 680 560**

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	35 767 354	26 731 574
31 - 60 days	26 997 241	20 177 024
61 - 90 days	13 164 268	9 838 626
91 - 120 days	12 843 809	9 599 123
121 - 365 days	100 273 974	74 942 115
> 365 days	548 468 616	409 910 932
	737 515 262	**551 199 394**
Industrial/ commercial		
Current (0 -30 days)	136 079	101 702
31 - 60 days	802 435	599 719
61 - 90 days	738 579	551 994
91 - 120 days	731 509	546 711
121 - 365 days	5 688 954	4 251 773
> 365 days	25 156 981	18 801 662
	33 254 537	**24 853 561**
National and provincial government		
Current (0 -30 days)	240 701	179 893
31 - 60 days	15 391 456	11 503 167
61 - 90 days	951 520	711 141
91 - 120 days	829 544	619 979
121 - 365 days	7 206 196	5 385 720
> 365 days	3 998 669	2 988 500
	28 618 086	**21 388 400**
Total		
Current (0 -30 days)	36 144 134	27 013 169
31 - 60 days	43 191 133	32 279 910
61 - 90 days	14 854 367	11 101 761
91 - 120 days	14 404 862	10 765 813
121 - 365 days	113 169 124	84 579 609
> 365 days	577 624 267	431 701 094
	799 387 887	597 441 356
Less: Allowance for impairment	(751 424 613)	(567 569 288)
	47 963 274	**29 872 068**

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10. Cash and cash equivalents

Cash and cash equivalents consist of:

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10. Cash and cash equivalents (continued)

	2017	2016
Cash on hand	5 000	5 000
Bank balances	44 705 290	36 270 994
Short-term deposits	24 876 086	32 556 931
	69 586 376	**68 832 925**

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
First National Bank - Current Account: 620-262-96427	31 566 619	19 855 347	8 533 386	31 571 364	19 855 347	8 533 386
First National Bank - Call Deposit: 625-944-95270	11 698 326	10 926 067	30 000 000	11 698 326	10 926 067	30 192 578
First National Bank - Call Deposit: 621-470-52427	224 069	210 262	-	224 069	210 562	-
Nedbank - Current Account: 100-422-2378	23 687 110	16 390 556	27 467 051	13 078 985	16 414 400	27 540 911
Nedbank - Call Deposit: 788-152-7927	2 400 667	21 398 437	20 000 000	2 400 667	21 398 437	20 000 000
Nedbank 2	-	-	-	10 553 023	-	-
Standard Bank - Money Market Call Account: 338589783-004	-	22 165	-	-	22 165	-
Capitec Bank - Current Account: 117-301-4177	-	-	168 276	-	-	168 276
Total	**69 576 791**	**68 802 834**	**86 168 713**	**69 526 434**	**68 826 978**	**86 435 151**

11. Revaluation reserve

	2017	2016
Opening balance	207 577 510	207 577 510

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

	2017	2016
Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	-	21 142 981
Movement during the year		
Balance at the beginning of the year	21 142 981	57 091 035
Additions during the year	117 504 000	89 139 000
Amount surrenderred to National Treasury	(21 142 981)	-
Income recognition during the year	(117 504 000)	(125 087 054)
	-	**21 142 981**

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The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

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Figures in Rand	2017	2016

13. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Total
Environmental rehabilitation	15 658 173	1 021 542	16 679 715
Provision for Bonuses	2 490 253	154 497	2 644 750
	18 148 426	**1 176 039**	**19 324 465**

Reconciliation of provisions - 2016

	Opening Balance	Reversed during the year	Total
Environmental rehabilitation	18 994 717	(3 336 544)	15 658 173
Provision for Bonuses	2 714 554	(224 301)	2 490 253
	21 709 271	**(3 560 845)**	**18 148 426**

	2017	2016
Non-current liabilities	16 679 715	15 658 173
Current liabilities	2 644 750	2 490 253
	19 324 465	**18 148 426**

The municipality raises a provision for 13th cheque bonuses that staff members receive during their birthday month. The provision is based on the most recent effective salary notches of individual employees.

The municipality has two dumping sites, one in Kwaggafontein which is 3,5 hectares and the other one in KwaMhlanga which is 4,5 hectares. The remaining useful lives of these dumping sites are 5 years and 10 years respectively. Each year of the dumping sites remaining usefull lives are assessed and the provision is adjusted accordingly.

14. Payables from exchange transactions

	2017	2016
Trade Creditors	1 500 437	1 137 708
Payments received in advanced	7 406 605	4 389 572
Accrued expenses	28 012 611	53 023 591
Accrued leave pay	8 407 452	9 924 610
Other deposits	236 587	219 730
Retention	15 391 024	15 076 168
Unallocated deposits	4 146 610	4 108 931
	65 101 326	**87 880 310**

15. Revenue

	2017	2016
Service charges	154 971 349	102 776 445
Rental of facilities and equipment	850 472	622 205
Interest received - investment	48 729 020	38 179 412
Property rates	40 725 577	32 671 147
Government grants and subsidies	533 393 981	516 085 505
Licences and permits	7 726 179	7 042 658
Public contributions and donations	19 058 009	13 480 181
Fines, Penalties and Forfeits	1 725 894	2 131 527
Other income	5 164 942	923 430
	812 345 423	**713 912 510**

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

15. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follow

	2017	2016
Service charges	154 971 349	102 776 445
Rental of facilities and equipment	850 472	622 205
Interest received - investment	48 729 020	38 179 412
	204 550 841	**141 578 062**

The amount included in revenue arising from non-exchange transactions is as follows:

	2017	2016
Taxation revenue		
Property rates	40 725 577	32 671 147
Transfer revenue		
Government grants & subsidies	533 393 981	516 085 505
Licences and permits	7 726 179	7 042 658
Public contributions and donations	19 058 009	13 480 181
Fines, Penalties and Forfeits	1 725 894	2 131 527
Other income	5 164 942	923 430
	607 794 582	**572 334 448**

16. Service charges

	2017	2016
Sale of water	122 261 320	77 045 085
Sewerage and sanitation charges	2 293 008	1 876 659
Refuse removal	30 417 021	23 854 701
	154 971 349	**102 776 445**

17. Rental of facilities and equipment

	2017	2016
Premises		
Premises	763 632	551 971
Facilities and equipment		
Facilities	86 840	70 234
	850 472	**622 205**

18. Investment revenue

	2017	2016
Interest revenue		
Bank	3 065 395	3 241 516
Interest charged on trade and other receivables	38 302 863	28 112 983
Interest on investment	7 360 762	6 824 913
	48 729 020	**38 179 412**

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

19. Property rates

Rates received

Residential	40 725 577	32 671 147

Valuations

Residential	7 261 231 798	7 261 231 798
Commercial	258 858 015	258 858 015
State	28 937 300	28 937 300
Municipal	115 732 060	115 732 060
Agricultural	1 529 616 000	1 529 616 000
Schools	258 230 500	258 230 500
Parks	23 539 700	23 539 700
Churches	26 127 000	26 127 000
	9 502 272 373	**9 502 272 373**

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

20. Grants and subsidies paid

Other subsidies

Electrification Grant - In kind	46 374 000	38 703 000
Water Grant expenditure - In kind	23 330 000	13 000 000
Free basic electricity	2 720 961	3 011 856
Free basic water	35 907 988	22 896 934
	108 332 949	77 611 790

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21. Government grants and subsidies receipted

Figures in Rand	2017	2016
Operating grants		
Equitable share	313 316 981	288 644 000
Capital grants		
MIG	117 504 000	125 087 054
FMG	1 625 000	1 600 000
MSIG	-	930 000
EPWP Grant	2 244 000	3 117 000
Water Subsidy	29 000 000	45 004 451
INEP Grant - In kind	46 374 000	38 703 000
Water Grant - In kind	23 330 000	13 000 000
	220 077 000	**227 441 505**
	533 393 981	**516 085 505**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

MIG

	2017	2016
Balance unspent at beginning of year	21 142 981	57 091 035
Current-year receipts	117 504 000	89 139 000
Amount surrendered to National Treasury	(21 142 981)	-
Conditions met - transferred to revenue	(117 504 000)	(125 087 054)
	-	**21 142 981**

Conditions still to be met - remain liabilities (see note 12).

FMG

	2017	2016
Current-year receipts	1 625 000	1 600 000
Conditions met - transferred to revenue	(1 625 000)	(1 600 000)
	-	-

EPWP Grant

	2017	2016
Current-year receipts	2 244 000	2 182 000
Conditions met - transferred to revenue	(2 244 000)	(2 182 000)
	-	-

MSIG

	2017	2016
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
	-	-

Water Grant

	2017	2016
Current-year receipts	29 000 000	45 000 000
Conditions met - transferred to revenue	(29 000 000)	(45 000 000)
	-	-

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

22. Licences and permits

Licences and permits	7 726 179	7 042 658

23. Public contributions and donations

Donation received	19 058 009	13 480 181

Donations by way of assets were received from National Treasury, Department of Environmental Affairs and the Nkangala District Municipality.

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Figures in Rand	2017	2016

24. Employee related costs

Basic salary	76 023 032	71 510 694
Bonus	6 307 006	7 231 824
Medical aid - company contributions	5 770 707	5 304 800
UIF	655 456	617 724
WCA	2 085 443	-
SDL	882 713	822 151
Shift Allowances	550 655	-
Leave pay provision	(1 517 157)	1 142 898
Leave days	535 881	576 995
Travel, motor car, accommodation, subsistence and other allowances	3 790 450	2 879 791
Overtime payments	328 071	-
Long-service awards	1 152 166	607 689
Housing benefits and allowances	93 314	83 597
Cellphone allowances	547 450	489 050
Pension contributions	13 683 109	13 120 537
SALGBC	35 960	34 224
Acting allowances	261 918	334 104
	111 186 174	**104 756 078**

Remuneration of Municipal Manager: Mr ON Nkosi 15 March 2015 to 30 June 2017

Annual Remuneration	1 124 745	917 601
Car Allowance	180 000	180 000
Contributions to UIF, Medical and Pension Funds	60 368	48 324
	1 365 113	**1 145 925**

Remuneration of Chief Finance Officer: Mr BB Sithole 01 July 2016 to 30 June 2017

Annual Remuneration	772 170	-
Car Allowance	144 000	-
Contributions to UIF, Medical and Pension Funds	10 197	-
	926 367	**-**

Remuneration of Manager Human Resources: Ms SA Nxumalo from March 2017 to June 2017

Annual Remuneration	221 188	-
Car Allowance	20 000	-
Acting allowance	15 304	-
Contributions to UIF, Medical and Pension Funds	73 744	-
	330 236	**-**

Remuneration of Assistant Manager Legal Services: Adv JP Skosana - 01 September 2016 to 30 November 2016

Acting allowance (Acting Manager Corporate Services)	27 967	-

Remuneration of Chief Finance Officer: Ms MS Makgaba15 March 2015 to 31 December 2015

Annual Remuneration	-	473 163
Car Allowance	-	90 000
Performance Bonuses	-	18 768
Contributions to UIF, Medical and Pension Funds	-	59 465
Other	-	8 223
	-	**649 619**

Figures in Rand	2017	2016

24. Employee related costs (continued)

Remuneration of Corporate Services Manager: Mr P Mabuzza to August 2016

	2017	2016
Annual Remuneration	299 992	737 190
Car Allowance	30 000	180 000
Acting bonus	3 667	-
Contributions to UIF, Medical and Pension Funds	131 681	140 724
	465 340	**1 057 914**

Remuneration of Social Services Manager: Mr T Kubheka

	2017	2016
Annual Remuneration	852 890	797 190
Car Allowance	132 000	120 000
Acting allowance	2 665	-
Contributions to UIF, Medical and Pension Funds	138 448	140 724
	1 126 003	**1 057 914**

Remuneration of Acting Technical Services Manager: Mr V Sibuyi 01 September 2015 to 31 January 2016

	2017	2016
Acting Remuneration	-	45 049

Remuneration of Technical Services Manager: Ms RF Morudu 01 February 2016 to 30 June 2017

	2017	2016
Annual Remuneration	744 464	633 353
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	85 283	94 272
	949 747	**847 625**

Remuneration of Technical Services Manager: Mr AS Ntuli 01 July 2015 to 30 June 2016

	2017	2016
Annual Remuneration	-	137 525
Car Allowance	-	20 000
Performance Bonuses	-	8 396
Contributions to UIF, Medical and Pension Funds	-	14 563
Other	-	14 758
	-	**195 242**

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25. Remuneration of councillors

	2017	2016
Executive Mayor	824 554	823 609
Chief Whip	640 774	624 952
Speaker	670 401	698 989
Councillors	18 910 049	17 861 827
	21 045 778	**20 009 377**

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

26. Depreciation and amortisation

	2017	2016
Property, plant and equipment	82 552 517	83 973 029

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

27. Finance costs

Other interest paid	3 611	395 605

28. Debt impairment

Bad debt	184 979 354	168 588 499

29. Consumer Debtors Amnesty Written Off

Consumer Debtors Amnesty Written Off	(2 216 027)	-

30. Bulk purchases

Water	114 276 853	119 250 318

31. General expenses

Advertising	477 550	260 684
Assessment rates & municipal charges	65 281	-
Auditors remuneration	3 672 811	4 452 776
Bank charges	375 390	296 582
Consulting and professional fees	3 329 851	7 143 703
Delivery expenses	3 387 161	-
Discount allowed	-	325 860
Entertainment	81 727	15 988
Insurance	1 042 138	1 175 595
Community development and training	722 851	-
Computer expenses	334 111	429 995
Marketing	307 119	85 655
LED Expenses	-	33 051
Motor vehicle expenses	10 471 803	4 453 360
Fuel and oil	6 101 244	4 612 980
Postage and courier	8 061	7 625
Printing and stationery	1 139 709	815 738
Promotions	462 778	261 240
Project maintenance costs	-	10 024 694
Security (Guarding of municipal property)	12 403 370	11 447 813
Software expenses	945 090	1 048 357
Subscriptions and membership fees	1 335 179	1 148 910
Telephone and fax	1 224 432	2 238 292
Training	516 205	369 358
Travel - local	263 155	69 758
Electricity	6 766 698	5 974 797
Uniforms	426 627	-
Materials and supplies	1 692 076	1 238 259
Licences	530 155	401 471
Town planning cost	21 910	47 723
Sample testing - Water	619 755	483 834
Ward committee allowance	2 533 000	3 754 000
Other expenses	16 459 922	6 969 871
	77 717 159	**69 587 969**

Figures in Rand	2017	2016

32. (Decrease)/Increase in leave and bonus provision

(Decrease)/Increase in leave and bonus provision	(153 117)	224 301

33. Cash generated from operations

Surplus	104 966 126	62 422 088
Adjustments for:		
Depreciation and amortisation	82 552 517	83 973 029
Movement in leave and bonus provision	153 117	(224 301)
Debt impairment	184 979 354	168 586 499
Amnesty written off	(2 216 027)	-
Movements in retirement benefit assets and liabilities	331 000	1 718 000
Movements in other provisions	1 176 039	(3 560 845)
VAT Adjustment	(19 489 232)	(24 772 411)
Loss on disposal of property, plant and equipment	912 722	5 492 210
Changes in working capital:		
Inventories	11 884 628	(67 497 858)
Receivables from exchange transactions	(13 196 877)	(14 762 581)
Other receivables from non-exchange transactions	(5 501 675)	33 908 153
Payables from exchange transactions	(22 778 985)	(2 540 618)
VAT receivable	4 900 253	(6 753 754)
Payable from non exchange transactions	261 919	1 704 326
Unspent conditional grants and receipts	(21 142 981)	(35 948 054)
	307 791 898	**201 745 883**

34. Commitments

Authorised capital expenditure

Contracted for and authorised by accounting officer		
• WIP - Work in progress	83 986 669	79 620 063
Total capital commitments		
Contracted for and authorised by accounting officer	83 986 669	79 620 063

35. Contingencies

THLM vs Lawmark Consulting CC - Case no: 70121/11
Joint Venture between Lawmark and Casnans is suing the municipality for termination of contract. The amount being claimed is R1 200 000.

Piet Chili vs THLM - Case no:12/2013

Mr Chilli has issued a summons against the municipality claiming among other loss of income as a result of alleged breach of contract on the part of the municipality - No amount available

Johannah Ntuli vs THLM - Case no: 1313/15
Johannah Ntuli is claiming R1 550 000 for damages as a result of negligence of the municipality.

Mabapa Building Consruction t/a vs / THLM - Case no: 623/16/14
The plaintif is alleging that some employees of the municipality negligently started fire or negligently failed and/or omitted to contain the fire they started. The said fire burned down and destroyed the plaintiff's business premises and other items. Amount claimed is R2 000 000.

THLM vsTelkom - Case no: 110/2015

The plaintiff is alleging that at or near Moloto Road on or about the 04th of March 2013, employees of the municipality acting within their scope of employment damaged an overhead cable belonging the plaintiff. The amount claimed is R24 908.84 with interest.

JC Msiza & BM Skosana vs TMLM - Case no 1263/12
Awaiting judgement on the application for leave to Appeal - No amount available

TMLM vs SAMWU abo Thutse Reinethine Mmantimo - Case no: JS436/15
There were two appointments done while the vacant position was one. - Amount claimed R1 673 859

36. Related parties

Accounting Officer	ON Nkosi
Members of key management	BB Sithole - Chief Financial Officer SA Nxumalo - Human Resource Manager RF Morudu - Technical Services Manager Mr T Kubheka - Manager Social Service

The information required as per GRAP 20 paragrap 35 (a) to (i) can be found in notes 4, 24,25 and 44 (Councillors arrears amounts) within the financial statements where relevant to the municipality.

No related party transactrions occurred during the financial period under review

37. Prior period errors

	2017	2016
Statement of financial position		
Inventories: Stands held for sale were understated in prior year.		(29 937 595)
Receivables from exchange transactions: Reclassification from Consumer debtors to Rates & Taxes.		21 825 312
Receivables from non-exchange transactions: Reclassification from Consumer debtors to Water, Refuse and Sewerage.		8 424 054
Consumer debtors: Reclasification from Consumer debtors to Receivables from exchange & non-exchange.		(23 486 744)
Cash and Cash equivalents prior year correction understated.		1 247
Property, plant and equipment: Correction of the 2015-16 Fixed asset register (FAR).		(179 711 461)
Payables from exchange transactions: Reallocation of licenses from suspense vote to expense vote.		(1 388 366)
Payables from non-exchange transactions: Reclassification from Other income to payments received in advance for housing vote.		1 704 326
Revaluation reserve: Adjustment in 2015-16 for votes incorrectly opened as expense votes instead of liablity votes.		107 232 275
*1. Retained income: Adjustment relating to PPE corrections based on 2016-2017 audit.		54 598 747
*2. Retained income: Reclassification from Other income vote to payments received in advance housing vote.		1 373 530
*3. Retained income: Stands held for sale were understated in prior year.		29 937 595

	2017	2016
***Statement of Financial Performance**		
Service charges prior year correction understatement.		878
Interest on arrears: Receivables from exchange & non-exchange understatement correctiondue to incorrect billing for 2015-16.		10 785 104
Rates & taxes: Receivables from non-exchange overstated correction for 2015-16.		(512 410)
Licences and permits: Correction for understatement for 2015-16.		1 219 021
Traffic fines: Cmade relating to orrection 2015-16 understated & post audit correction 2016-2017 relating to overstated.		414 799
Other income: Reclassification to payables from non-exchange received for payments received in advance for housing vote		(330 796)
Depreciation expense: Correction relating to FAR for 2015-16		49 558 494
Impalment loss correction relating to FAR correction for 2015-16		9 890 472
Debt impairment relating to understatement of interest on arrears accounts & traffic fines		(3 890 972)
Grants and subsidies paid - Reallocation from grants and subsidies paid to general expenditure.		(20 144 292)
General expenses: Reallocation to PPE including reallocation from grants and subsidies paid to general expeniture and visa versa.		(46 799 587)
Actual Loss on sale of PPE realised in 2015-16 correction		(252 281)

The * refers to the calculation of the net total of the retained income and the statement of financial performance to the amount of R 95 346 952 Refer to note 38 retained income: Prior Period error that reflects the same amount.

Notes to the Annual Financial Statements

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38. Comparative figures

Statement of financial position

	Comparative figures previously reported	Reclassification	After reclassification
Inventories	86 833 940	(29 937 595)	56 896 345
Receivables from exchange transactions	3 471 389	21 825 312	25 296 701
Receivables from non-exchange transactions	39 454	8 424 054	8 463 508
VAT Receivable	15 614 572	-	15 614 572
Consumer debtors	23 486 744	(23 486 744)	-
Cash and cash equivalents	68 831 678	1 247	68 832 925
Property, plant and equipment	1 881 877 996	(179 711 461)	1 702 166 535
Payables from exchange transactions	89 278 677	(1 398 366)	87 880 311
Payables from non-exchange transactions	-	1 704 326	1 704 326
Retained income: Revaluation reserve - vote incorrectly opened in Mun	(1 737 408 438)	107 232 275	(1 630 176 163)
Retained income: Prior period error	-	95 346 952	95 346 952
Total	**432 026 012**	**-**	**432 026 012**

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38. Comparative figures (continued)

Statement of financial performance - extract

	Comparative figures previously reported	Reclassification/ Prior year correction	After reclassification
Service charges	102 775 567	878	102 776 445
Rental facilities and equipment	622 205	-	622 205
Interest received	27 394 308	10 785 104	38 179 412
Property rates	33 183 557	(512 410)	32 671 147
Govenment grants and subsidies	516 085 505	-	516 085 505
Licences and permits	5 823 636	1 219 022	7 042 658
Public contributions and donations	13 480 181	-	13 480 181
Fines	1 716 728	414 799	2 131 527
Other income	1 254 068	(330 638)	923 430
Employee related costs	(108 510 078)	3 754 000	(104 756 078)
Remuneration Councillors	(20 009 378)	-	(20 009 378)
Depreciation and armortisation	(133 531 523)	49 558 494	(83 973 029)
Impairment loss	(9 890 472)	9 890 472	-
Finance costs	(395 605)	-	(395 605)
Rental of office equipment	(957 695)	-	(957 695)
Debt impairment	(164 697 527)	(3 890 972)	(168 588 499)
Repairs and maintenance	(1 092 153)	-	(1 092 153)
Bulk purchases	(119 250 318)	-	(119 250 318)
Gransts and subsidies paid	(57 467 498)	(20 144 292)	(77 611 790)
General expenses	116 387 556	(46 799 587)	69 587 969
Decrease in leave and bonus provision	(224 301)	-	(224 301)
Loss on disposal of assets	-	5 492 210	5 492 210
Total	**202 696 763**	**9 437 080**	**212 133 843**

Notes to the Annual Financial Statements

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39. Risk management

Financial risk management

The municipality's activities expose it to a minimum variety of financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk.

Categories of financial instruments

2017

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	38 493 578	38 493 578
Other receivables from non-exchange transactions	-	13 965 183	13 965 183
Cash and cash equivalents	69 586 376	-	69 586 376
	69 586 376	**52 458 761**	**122 045 137**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	65 100 383	65 100 383

2016

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	25 296 701	25 296 701
Other receivables from non-exchange transactions	-	8 497 409	8 497 409
Cash and cash equivalents	68 832 925	-	68 832 925
	68 832 925	**33 794 110**	**102 627 035**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	87 880 311	87 880 311

39. Risk management (continued)

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitmentents.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statment of financial position to the contractual imaturity date. The amounts disclosed in the table are contractual undiscounted cahflows. Balances due within 12 month equal their carrying balances as the impact of discounting is not signficant .

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from non-exchange transactions	-	-	-	1 966 245
Payables from exchange transactions	38 156 142	7 406 605	19 537 634	-

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from non-exchange transactions	-	-	-	1 704 326
Payables from exchange transactions	64 305 640	4 389 572	19 185 099	-

39. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors..

Financial instrument	2017	2016
Cash and cash equivalents	69 586 376	68 832 925
Receivables from exchange transactions	38 493 578	25 296 701
Receivables from non-exchange transactions	13 965 183	8 497 409

- *Receivables from exchange transactions*

  This looks at the services which the municipality provides to its communities and an attached risk on this aspect is the low rate of collection which is sitting at 4% in the financial year 2016/2017 and 6% in the 2015/2016 financial year. The municipality has got a Credit Control and Debt Collection policy which as a control which seeks to address the prominent risk.

- *Cash and Cash equivalents*

  The municipality has got investments with a few financial institution wherein interest is earned on the market-related rate. The municipality is not using any derivatives nor foreign exchange and as a result there is no related risk. There is again a cash management policy which seeks to control the cash and cash equivalents.

- *Receivables from non-exchange transactions*

  In terms of GRAP 104, this financial instrument refers to interest which the municipality receivables from the ratepayers. The more prominent risk exposed to this financial instrument is collectivity which is addressed by the means identified in the receivables from exchange transactions. The municipality has got a Credit Control and Debt Collection policy which as a control which seeks to address the prominent risk.

Credit Risk - Financial assets that are either past due or impaired

(b) An analysis of financial assets that is individually determined to be impaired as at the end of the reporting period, including the factors the entity considered in determining that they are impaired? - Refer to note 9 for detail in this regard where it has been disclosed in detail.

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Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

40. Going concern

We draw attention to the fact that at 30 June 2017, the municipality had a surplus/deficit of R 104 966 126 and that the municipality's total liabilities does not exceed its assets.

40. Going concern (continued)

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

41. Events after the reporting date

No events after the reporting date occurred which requires disclosure.

42. Unauthorised expenditure

Unauthorised expenditure	2 216 027	93 422 232

Unauthorised expenditure incurred during the year iro amnistey written off without prior budget approval but did not result in the total budget being overspent at year end.

43. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	2 686 545	2 382 896
Other	18 758	303 650
	2 705 303	**2 686 546**

Fruitless and wasteful expenditure occurred during 2016-2017 due to interest paid on late payments made to the following suppliers:

Eskom	R 1 766.80
Telkom	R 1 845.03

Re-advertisement of Corporate Service Manager's Position

Basadzi Personnel	R 15 145.80

44. Irregular expenditure

Opening balance	175 722 849	99 330 921
Add: Irregular Expenditure - current year	16 708 211	76 391 928
Add: Amounts written off by Council awaiting to be condoned by National Treasury	(101 081 333)	-
	91 349 727	**175 722 849**

The value of R16 708 211 as disclosed in note 44 is not complete. Management is still in the process of quantifying the full extent of the irregular expenditure.

The irregular expenditure of R101 081 333 was written off by council in the 2016-17 financial year after investigations were conducted and awaiting to be condoned by National Treasury

Refer to details below for the breakdown on irregular expenditure incurred for current year:

44. Irregular expenditure (continued)

Non-compliance matters identified which led to irregular expenditure during 2016-2017 period for tenders and contracts

	Legislation transgressed against	
1. Mamolato Construction and projects	SCM Regulation 29(2)	236 337
2. Zembeleni Transport and projects	SCM Reguation 29(2)	2 216 991
3. VTT	Regulation 14 of the PPR	10 656 447
4. Speedway	Section 112(1) of the MFMA	2 682 603
		15 792 378

Non-compliance matters identified which led to irregular expenditure during 2016-2017 period for quotations

	Legislation transgressed against	
1. Sejagobe Engineers	SCM Reg 13(C)	87 734
2. Bapedi Consulting Engineers	SCM Reg 13(C)	165 562
3. Bapedi Consulting Engineers	SCM Reg 13(C)	165 562
4. Bapedi Consulting Engineers	SCM Reg 13(C)	165 562
5. KA Muthwa Attorneys	SCM Reg 13(C)	163 450
6. The Village Villas	SCM Reg 13(C)	39 000
7. TA Safety Consultancy Pty Ltd	SCM Reg 13(C)	55 750
8. Work Dynamics Pty Ltd	SCM Reg 13(C)	43 344
9. Mandlakandala Trading and Projects	PPR 9(1) Instruction notes on designation sectors	29 869
		915 833

All the above irregular expenditure identified were not as a result of the breakdown of internal controls which can be linked to fraud or maladministration or deliberate negligence by staff officials. The above instances were purely based on the incorrect interpretation of the legislation requirements and lack of oversight regarding compliance matters pertaining to all laws and regulations on supply chain management processes.

Non-compliance matters identified which did not lead to irregular expenditure during 2016-2017 period for tenders

Supplier Name	Legislation transgressed against	
1. SADEC-PC	Regulation 6(2) of the PPR; Regulation 10(4) of the PPR; Regulation 5 of the PPR	1
2. Monde Consulting JV Gaby Glass	Regulation 6(2) of the PPR; Regulation 10(4) of the PPR; Regulation 5 of the PPR	4 768 717
3. MondeConsulting Engineers	SCM Regulation 21(1)(d)(1)	9 603 869
4. Matiyane Civils	SCM Regulation 21(1)(d)(1)	1
5. Ka-Mbonane Inc.	SCM Regulation 28(1)(a); SCM Regulation 29(5)(a)(1)	138 282
6. Inyatsi JV	CIDM SFU 4.3.5	8 553 317
7. White Leopard Trading CC	CIDM SFU 4.3.5	4 213 686
8. Irhalane Construction	CIDM SFU 4.3.5	1 341 805
9. Monde Consulting Engineers and Project Managers	CIDM SFU 4.3.5	25 881 683
10. Geomab JV Lebone	CIDM SFU 4.3.5	5 299 470
11. Hi End Group (Pty) Ltd	CIDM SFU 4.3.5	270 423
12. Nomsa Electrical JV Vuninarha	CIDM SFU 4.3.5	168 045
13. Mpisana Properties JV Thaboatse Manufacturing	CIDM SFU 4.3.5	139 139
14. Elezulu Cnstruction CC	CIDM SFU 4.3.5	10 039 590
15. I@Consulting Pty Ltd	SCM Regulation 36(2)	10 362 875
16. FZ Project	SCM Regulation 36(2)	7 002 200
		87 783 103

There were no other non-compliance matters for quotes.

45. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year subscription / fee	3 672 811	4 452 776
Amount paid - current year	(3 672 811)	(4 452 776)
	-	-

PAYE and UIF

Current year subscription / fee	16 479 904	12 627 269
Amount paid - current year	(16 479 904)	(12 627 269)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	21 927 811	19 818 876
Amount paid - current year	(21 927 811)	(19 818 876)
	-	-

VAT

VAT receivable	56 728 868	42 019 248
VAT payable	(46 014 549)	(26 404 676)
	10 714 319	**15 614 572**

VAT output payables and VAT input receivables are shown in note 8

All VAT returns have been submitted by the due date throughout the year.

Audited

Auditor

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr Maseko Zanele	26	4 285	4 311
Cllr Msibi Vusi Amos	213	5 597	5 810
Cllr Dhlamini Alicia Lebohang	268	18 003	18 271
Cllr Fakude Dumisani Chrescent	10 468	537	11 005
Cllr Jiyane Koos Vusi	81	-	81
Cllr Jiyane Laza Elsie	279	17 640	17 919
Cllr Kekana Piet Thapelo	238	7 491	7 729
Cllr Mabelwane Oria Mpheto	390	36 249	36 639
Cllr Mabena Thomas Lebandla	264	14 980	15 244
Cllr Madyungu Alexcious Sphiwe	216	14 851	15 067
Cllr Mahlangu Amos	321	-	321
Cllr Mahlangu Christinah Ndlelenhle	312	9 299	9 611
Cllr Mahlangu Gideon	233	5 594	5 827
Cllr Mahlangu Nompumelelo Merriam	342	10 959	11 301
Cllr Masango Selsiwe Jack	213	-	213
Cllr Mashinini Thabisule Elsie	231	-	231
Cllr Masombuka Bafana Phillip	186	6 372	6 558
Cllr Mathibela Emelinah Mavis	296	10 080	10 376
Cllr Mnguni Maria Qhubeni	160	2 242	2 402
Cllr Mnisi Sgaule Timothy	481	-	481
Cllr Mogoboya Samuel Bongani	218	6 921	7 139
Cllr Mokwena Maria Adelaide	273	14 072	14 345
Cllr Motanyane Thokozile Egnes	318	17 642	17 960
Cllr Motaung Ntombi Mitta	209	5 381	5 590
Cllr Motena Mitopi Andries	16	536	552
Cllr Msibi Bongani Victor	267	16 870	17 137
Cllr Msiza Maria Poppy	114	437	551
Cllr Msiza James Simausu	160	-	160
Cllr Msiza Khulisile April	227	22 296	22 523
Cllr Mtsweni Rubber Qaliwe	216	6 759	6 975
Cllr Nduli Masotja Petrus	211	22 035	22 246
Cllr Ngoma Norman	201	4 753	4 954
Cllr Ngoma Sipho Koos	33	-	33
Cllr Phakathi Nomasonto Emmah	178	1 634	1 812
Cllr Sikosana Mzwandile Obed	89	-	89
Cllr Skosana Dini Samson	186	6 269	6 455
Cllr Skosana Lindiwe Thembi	160	-	160
Cllr Skosana Vusimusi Vincent	288	15 761	16 049
Cllr Tau Joyce Johannah	174	1 756	1 930
Cllr Tibane Thabo John	160	-	160
Cllr Tshabangu Martha Lilian	175	1 588	1 763
	19 091	**308 889**	**327 980**

Notes to the Annual Financial Statements

Figures in Rand

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2016	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr Buda HM	216	109	325
Cllr Dhlangalala Hereminah Nomakhuwa	471	-	471
Cllr Dube Shellboy Senzeni	34	-	34
Cllr Hlungwani Sarah Malebo	18 202	1 897	20 099
Cllr Khumalo Aaron Bhinga	305	-	305
Cllr Mahlangu Amos	141	32	173
Cllr Mahlangu Bellinah Thobile	3 631	-	3 631
Cllr Mahlangu Jerry Thili	141	356	497
Cllr Mahlangu Ndaweni Johannes	1 168	10 995	12 163
Cllr Masango Selsiwe Jack	61	-	61
Cllr Mashiya Joseph Fanie	478	639	1 117
Cllr Masombuka Bafana Philip	165	4 156	4 321
Cllr Masombuka John Msebenzi	6 354	3 829	10 183
Cllr Mboweni Linda Modiegi	-	3 131	3 131
Cllr Mlambo Mara	238	144	382
Cllr Mnamatheli Samuel Zwelabo	77	-	77
Cllr Mnguni Maria Qhubeni	652	-	652
Cllr Mnisi Sgaule Timothy	149	773	922
Cllr Mohoaduba Andrew Mduduzi	142	-	142
Cllr Mosena Mapuse Christina	1 250	-	1 250
Cllr Moseri Phineas Pule	19 450	625	20 075
Cllr Motena Mitopi Andries	14	350	364
Cllr Mtombeni Thandi Winnie	379	12 951	13 330
Cllr Mtshweni SP	686	3 273	3 959
Cllr Ngoma Norman	28	2 585	2 613
Cllr Nkabinde Moses Michael	1 422	-	1 422
Cllr Nobela Maria Truddy	165	81	246
Cllr Sepogoane Moses Mmoisetsie	93	316	409
Cllr Shabalala Mandla Cyrel	2 901	-	2 901
Cllr Sikosana Mzwandile Obed	141	46	187
Cllr Tau Joyce Johannah	58	-	58
Cllr Tshabangu Lillian Martha	693	-	693
Cllr Zabane Canelia Dudu	93	-	93
	59 998	**46 288**	**106 286**

Supply chain management regulations

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by theMunicipal Manager and be reported to Council for noting.

Notes to the Annual Financial Statements

Figures in Rand

46. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Various services were required during the financial year under review and the process followed in procuring those services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The municipality appointed various service providers in terms of section 32 and did not go out on tender resulting in a deviation from the tender process. The following is a list of deviations incurred during the year.

Service description	Service provider	Procurement date	Justafiable reason for deviation	Contract Price
Supply of portable water through water carts	Namso Electrical Construction	19 Aug 2016	Emergengy	820 000
Calibration of speed camera	Truvelo Manufacturers	29 Sept 2016	Sole provider of service	4 444
Repair of bulk line at Gemsbokspruit	VTT Industries	20 Dec 2016	Emergency	140 000
Procurement of Jojo Tanks	Prolester	09 Jan 2016	Emergency	1 020 300
Repairs and maintenance of speed camera	Truvelo Manufacturers	16 Feb 2016	Sole provider of the services	8 692
Maintain of integrated infrastructure assets management system for THLM	I@ Consulting	16 March 2017	Section 32	2 850 000
Repairs & maintemance of fleet management for THLM	FZ Projectz	1 February 2017	Section 32	7 022 199
				11 865 635

47. Non-compliance with MFMA Section 125

The following non-compliance were identified:

1) Refer to note 44 on SCM non-compliance matters.

Audited
By
2017 -11- 30
Auditor General South Africa

Notes to the Annual Financial Statements

. **Non-compliance with MFMA Section 125 (continued)**

2) The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the support records were subsequently provided.

3) An effective system of internal control for assets (including an asset register) was not in place as required by section 63(2)(c) of the MFMA.

4) Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA.

5) The accounting officer did not ensure that the municipality maintain effective, efficient and transparent systems of financial and risk management and internal control in certain areas like assets as required by section 62(1)(c) of the MFMA.

6) Debtors policy ommited some of the requirements of the prescription Act no 68 of 1969.

7) Monitoring, measuring and evaluating of performance of staff was not performed as required by section 67(1)(d) of the Municipal Systems Act (MSA).

8) Collation and verification process for reported performance was not in terms of the standard set by National Treasury Framework for Managing Programme Performance Information (MPPI).

THEMBISILE HANI LOCAL MUNICIPALITY
Appendix F: Unaudited
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2017

Name of Grants	Quarterly Receipts			Quarterly Expenditure			Grants and Subsidies delayed / withheld		Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
									Yes/ No
Finance Management Grant	1 625 000	-	-	-	-	-	-	-	Yes
Municipal system improvement grant	-	-	-	-	-	-	-	-	Yes
Municipal infrastructure Grant	117 504	-	-	-	-	-	-	-	Yes
Water Services Operating Subsidy (Sch 6)	2 330 000	-	-	-	-	-	-	-	Yes
EPW	1 247 000	-	-	-	-	2 244 000	-	-	Yes
	5 319 504	-	-	-	-	2 244 000	-	-	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Audited By 2017 -11- 30 Africa

THEMBISILE HANI LOCAL MUNICIPALITY

AG REMEDIAL ACTION PLAN

udit outcome 2016/2017:

udit Opinion: Unqualified with Matters

inding o.	Category / Key area	Focus area (Finding)	Root cause of non-compliance / Internal control deficiencies	Action plans to be taken	Activities to be undertaken to operationalise the Action plan	Due date	Responsible person	Monitoring Mechanism / Person
1	**Control deficiencies identified in the AFS overview and incomplete FAR (Comaf 1)**	Whilst inspecting the annual financial statements submitted on 31 August 2017, we noted the following: a) Statement of comparison of budget and actual amounts, we noted that explanatory notes/comments were not made for material differences identified between budget and actual amounts. b) The asset register submitted for audit as part of the audit file only reflected: land and	There was an oversight in the review process of the AFS by management to ensure FAR is completed before the submission to the AG for audit.	Perform monthly complete and accurate asset register that reconcile to reports on asset verification process, disposal authorisation, impairment reports and any valuation reports applicable eg for items like land and buildings.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility	28-Feb-18	Acting CFO	Jessica Mahlangu

		buildings, infrastructure and community assets and excluded other asset components like plant and machinery, furniture and fixtures, motor vehicles and office equipment.			over that information			
2	**AFS does not agree to GL and TB (Comaf 2)**	1. Whilst performing the reconciliation between the general ledger (GL), trial balance (TB) and annual financial statements (AFS) submitted on 31 August 2017, we noted the misalignment. 2. Whilst performing the reconciliation between the general ledger (GL), trial balance (TB) and annual financial statements (AFS) submitted on 14 September 2017 to correct the differences noted on our finding no 1 above, we noted the following further differences.	There was an oversight in the review process of the AFS by management to ensure that GL, TB and AFS balance before the submission to the AG for audit.	Reviews on the AFS and the TB and corrections will be made on time in areas where errors are identified before the information is submitted to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information	28-Feb-18	Acting CFO	Jessica Mahlangu
PROPERTY, PLANT AND EQUIPMENT								
3	**FAR does not agree to AFS Note 2 (Comaf 7)**	Whilst performing the reconciliation between the annual financial statements and the fixed asset register (FAR) submitted on 31 August 2017, we noted the following differences: c) The figures in the AFS Notes do not agree to the amounts on the FAR as	There was an oversight in the review process of the AFS by management to ensure that FAR and AFS balance before the submission to the AG for audit.	Ensure that the preparation of the FAR and AFS is done timeously and ensure that oversight reviews are performed before the information is finalised and submitted for Audit.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the	28-Feb-18	Acting CFO & Assistant Manager: Assets	Richard Makhubele & Jessica Mahlangu

		indicated in tables below:			auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information			
11	**Incorrect accounting for prior period transactions on PPE disposals (Comaf 10)**	Whilst auditing PPE disposals, we identified the following findings: 1. With reference to the AFS Note 2 disclosure displayed in the table below, we noted that the municipality made an error in the 2015-16 comparative period by recognising buildings of R23 473 030 which did not belong to the municipality. The municipality tried to correct this error in the table below by recognising such an error as disposals in the 2016-17 period whereas in actual fact they were supposed to correct such an error in the 2015-16 comparative figures under the opening balances. 2. The municipality did not have approvals in place from council as prescribed in MFMA Section 14 for the items disclosed in AFS Note 2 for buildings for R23 473 030 and infrastructure for R912 722.	There was an oversight in the review process of the AFS by management to ensure that there is correct accounting for prior period on PPE disposal before the submission to the AG for audit.	Reviews the AFS, GL and TB and corrections will be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information	28-Feb-18	Assistant manager: Assets	Richard Makhubele & Jessica Mahlangu
41	**Incomplete FAR & AFS on infrastructure assets and lack of**	a) The following assets with accounting bub-group: infrastructure assets and asset	There was an oversight in the review process of the FAR and AFS on	Reviews the AFS, and FAR corrections will be made on time in areas	To set specific timelines for various line managers to conduct thorough	28-Feb-18	Assistant Manager: Asset Management	Richard Makhubele

	support from CoGTA (Comaf 19)	class, water supply network were new replacement for the municipality and yet they were not included as part of fixed assets register (FAR) for new additions. The costs of these new replacements is yet to be quantified by the municipality. b) We also identified that the municipality does not use MIPMIS or another system to encourage greater expenditure on infrastructure maintenance and to enforce asset management over the life-cycle of assets at municipal level. c) Based on enquiries with management we have confirmed that they are aware of interventions from COGTA to improve service delivery in municipalities but so far the municipality has not received any support from CoGTA for 2016-17 financial year.	Infrastructure assets by management to ensure that there is correct accounting for prior period on PPE disposal before the submission to the AG for audit.	where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information			
				GOVERNANCE				
4	**Internal and external audit recommendations not implemented by management (Comaf 3)**	Even though the municipality developed an action plan to address internal and external audit findings, the status of the action plan shows that to date certain recommendations have not yet been addressed. 1. The table below reflects key milestones not yet addressed	The council and management did not exercise sufficient oversight monitoring on the full implementation of action plan to ensure improvements in the financial administration	Both the internal and external audit findings are standing items on our weekly Management meetings, more progress was achieved with regard to both audit findings except the PPE related that had to be finalized	Develop and monitor the implementation of action plans to address internal control deficiencies. Implement controls over daily & monthly processing & reconciliing transaction.	Weekly after the development of 2016/2017 Audit Action Plan.	Municipal Manager: ON Nkosi	ON Nkosi

		as at 30 June 2017 based on the internal audit findings raised in the 2014-15 to 2016-17 audit cycles. 2. The tables below reflect key milestones not year addressed as at 30 June 2017 based on AGSA's management report for 2015-16 period.	for the municipality.	with the preparation of the 2016/2017 AFS.				
10	**Non-compliance matters identified in the SCM policy (Comaf 9)**	The following omissions on SCM policy were identified which translates to non-compliance against the SCM Regulations of 2005:	There was an oversight in review and monitoring compliance with applicable legislation on SCM policy	Review the SCM Policy and include the provisions of the SCM regulations and MFMA in the 2017-2018 financial year	To perform proper reviews during the annual review process of all policies to ensure that the SCM policy complies with all relevant laws and regulations.	2018-05-30 (During 2018-2019 Budget Approval)	Lydia Sehlako (Assistant Manager SCM)	Lydia Sehlako
23	**Audit Committee did not review the AFS (Comaf 23)**	Audit committee members were not afforded an opportunity to exercise their oversight responsibility on the AFS by reviewing the financial information presented in order to detect any errors and make the necessary recommendations for adjustments to management before they were submitted for audit on 31 August 2017	There was an over sight ensure that timely reviews on the GL, TB and AFS were performed properly and the latter was given to the audit committee members for independent reviews.	Draft AFS are ready 10 days before submission to allow review process to take place	To implement sustainable controls by capacitating the finance team to enable the municipality to produce its own AFS regularly. In that way the municipality will be able to exercise sufficient oversight responsibility timeously on the financial information.	20-Aug-18	Acting CFO	Jessica Mahlangu
26	**Control deficiencies identified in the debtors policy (Comaf 4)**	Whilst verifying the 2016-17 debtors' policy, we noted that it excludes the requirements of the Prescriptions Act noted above	There was an oversight in reviewing and monitoring compliance of debtors policy to include Precription Act Requirements	The Debtor's policy incorporating the Prescription act will be approved together with the Adjustment Budget	Revise the current debtor's policy to include Prescription Act requirements during their annual review of all their policies.	31-Mar-18	Assistant Manager: Revenue	Oupa Ledwaba

27	**Staff performance not monitored (Comaf 5)**	Whilst evaluating controls on performance appraisals, we noted that the municipality have not implemented a system to monitor, measure and evaluate staff performance. Such a finding was reported in the 2015-16 audit period and reported again by internal audit unit in the 2016-17 audit period and the municipality has not taken any effective steps to implement the necessary controls.	There was an oversight to ensure that a proper system in is in place to monitor, measure and evaluate staff performance to ensure that the staff compliment at the municipality is properly trained, skilled and equipped to deliver on the mandate of the municipality which is to deliver appropriate and satisfactorily services to the communities.	Performance measurement will be cascaded to all employees	Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	30-Jan-18	Assistant Manager: PMS	Sinah Moripe
40	**Non-compliance with indigent subsidy and free basic services provision policy (Comaf 16)**	The following findings were identified whilst testing compliance with the above mentioned policy: 1. Management could not provide the auditors with an updated indigent register for 2016-17 since the register was last updated in 2014-15 financial year and therefore the municipality could not prove if the candidates on the current register are legible for this benefit. 2. Whilst inspecting the R3 000,00 threshold on the indigent register provided by the municipality, I identified the following beneficiaries whose total monthly income	There was an oversight to ensure that there is compliance with indigent subsidy and free basic provision policy	Review and update the indigent register for the finacial year	Verify the candidates that are on the register are entitled to receive the benefits.	31-Mar-18	Assistant Manager-Revenue	Oupa Ledwaba

		generated by the household is more than R 3000,00 per month:						
				CONSEQUENCE MANAGEMENT				
5	**Disciplinary board could not determine who should be held liable for financial misconduct (Comaf 6)**	Though a disciplinary board to investigate allegations of financial misconduct was instituted if the form of MPAC, there were concerns raised by MPAC on the report submitted by the accounting officer regarding the lack of details on instances which led to irregular expenditure and whether any staff officials should be held responsible. As a result the MPAC could not perform thorough investigations on who should be held accountable on irregular expenditure incurred. The MPAC on the other hand failed to refer the accounting officer's report back for further amendments on the required details before the investigations report was submitted to council for condonement.	The council did not exercise sufficient oversight responsibility on who should be held accountable after the investigations were conducted by MPAC.	The Disciplinary Board will be established	Review and monitor compliance with applicable legislation	28-Feb-18	Municipal Manager: ON Nkosi	ON Nkosi
				COMMITMENTS				
6	**Incomplete AFS disclosure on commitments (Comaf 8)**	The following findings were identified whilst auditing commitment Note 35, 1. With reference to the table below whilst verifying the	There was an oversight to ensure complete AFS disclosure on commitments is performed before they	Ensure accurate and complete disclosure for commitment amount as stated by the Commitments Register	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be	28-Feb-18	Assistant Manager:PMU & Assistant Manager: Assets	Richard Makhubele & Dumisani Mahlangu

		completeness of AFS Note 35 disclosure, we noted that commitments amount of R 32 666 812.23 was not disclosed under Note 35. 2. We also noted that the following items per the Note 35 disclosure were not supported with supporting documents since the municipality does not have any information to substantiates or validate such disclosures. A) Contracted for and authorised by accounting officer: PPE (2016-17) for R97 090 402. B) Contracted for and authorised by accounting officer: WIP (2015-16) for R103 113 957	were submitted for audit to ensure that the AFS submitted were fail presented.	for the finacial year	made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information			
				DISCLOSURE				
7	**Prior period error Note 38 not disclosed appropriately in the AFS (Comaf 8)**	With reference to the table below whilst verifying the completeness of AFS Note 38 disclosure, we noted the following: a) The prior period error note was not properly named/titled in the disclosure as a prior period error note, it read "comparative figures" b) The municipality did not disclose the nature of the errors that were corrected were disclosed as required by GRAP standards	There was an oversight on the disclosure of prior year period errors by not submitting an audit file for the prior year error.	Ensure to submit the prior period error audit file together with the AFS.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information	28-Feb-18	Assistant Manager :Revenue &Acting CFO	Oupa Ledwaba & Jessica Mahlangu

20	**Misstatements identified in the AFS disclosures (Comaf 22)**	Whilst auditing various disclosures, we identified the following errors: a) Payments received in advance from various individuals for housing were incorrectly classified as payables from exchange (note 14) instead of payables from non-exchange since the municipality is not receiving any benefits for such services, the municipality purely performs the collection services on arrear accounts. Such incorrect classification affects both the 2015-16 and 2016-17 periods. The municipality should quantify errors for both periods to reflect accurate and complete information that results in fair presentation of the AFS. b) Receivables for exchange and non-exchange disclosure note 6, 7 and 9 omitted the clientele disclosure for business, government and individual's categories. c) Under the statement of financial performance, the loss on disposal of assets and liabilities amounting to R25 041 767 was incorrectly reflected as a separate line item in the AFS for 2016-17 even though it relates to	There was an oversight to ensure complete AFS disclosure correct classified of housing to payable from non-exchange before AFS were submitted for audit to ensure that the AFS submitted were fail presented.	Reviews on the AFS and the TB and corrections will be made on time in areas where errors are identified before the information is submitted to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information	28-Feb-18	Assistant Manager Revenue, Acting Manager Social Development	Oupa Ledwaba & Aminah Aphane

		disposals disclosed under Note 2 for R24 385 752 plus Other income for disposals on inventory amounting for R651 580 already included as part of R5 113 014. The comparative figure for 2015-16 is R252 261 which links to prior period note 38. d) Cash and bank note 10 under Cash book balances category incorrectly included the Standard bank account for R10 022 165 under 2016-17 and under the Bank statement balances category the amount is nil. In 2015-16 such amount was disclosed under both categories for R22 165 and was depleted to nil during the course of 2016-17. e) Prior period error note 38 for property rates the correct figures based on supporting documents is R 512 411 and not R5 124 110 currently disclosed in the note. f) Prior period error note 38 for loss on non-current assets held for sale or disposal groups incorrectly reflects R252 260 instead of the R5 239 945 which was audited in 2015-16 period. g) Note 21 currently includes an amount of R138 646 981 under Income						

		recognition during the year - transfer to revenue. Such amount includes an amount of R21 142 981 surrendered back to National Treasury. Therefore the R138 646 981 is overstated by R21 142 981. The correct disclosure should reflect the following, h) Financial instruments note 39 omitted the following disclosure requirements in terms of GRAP. i) Audited AFS 2015-16 reflect an Opening balance of R99 330 927 for Irregular expenditure disclosure and this year's AFS 2016-17 submitted for audit reflect R103 959 510, meaning the Opening balance is overstated by R4 628 583. We further noted that the irregular expenditure register given for audit which is the underlying record for Note 43 reflects a closing balance in the 2016-17 period of R80 447 669 and AFS Note 43 reflects R83 952 708 meaning the Note is overstated by R3 505 038						
28	**Incomplete AFS disclosure on related parties (Comaf 7)**	Whilst verifying the completeness of Note 37 related party disclosure, we noted the following: • Remuneration of management	There was an oversight to ensure complete AFS disclosure correct classified of housing to payable from non-	Ensure accurate and complete disclosure note 37 on related parties in the AFS submitted to the AG	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be	28-Feb-18	Acting CFO	Jessica Mahlangu

		only made reference to narrations of key management including accounting officer but excluded other information noted in paragraph 35. • Those charged with governance which is council and audit committee in this case are included in the definition of management per paragraph 10 but the municipality omitted to disclose their details per paragraph 35. • The municipality omitted to disclose the narrative information about the nature of the transactions and the related outstanding balances as required in terms of paragraph 34 for all government organisations that the municipality has transacted with.	exchange before they were submitted for audit to ensure that the AFS submitted were fail presented.		made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information			
42	**Incomplete note disclosure on accounting policy (Comaf 19)**	The accounting policy in the AFS submitted for audit is disclosed as follows without any information under items, depreciation method and average useful life: 1.6 Intangible assets: An asset is identifiable if it either: • is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related	There was an oversight to ensure incomplete disclosure note ob. accounting policy before they were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Ensure accurate and complete disclosure note 37 on accounting policy in the AFS submitted to the AG	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility	28-Feb-18	Assistant Manager: Assets	Ricahrd Makhubele

		contract, identifiable assets or liability, regardless of whether the entity intends to do so; or • arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.			over that information.			
45	**Non-compliance with MFMA section 125 (Comaf 24)**	Whilst inspecting the annual financial statements (AFS) submitted for audit we noted that the municipality did not disclose all non-compliance matters identified during the year because it does not have designated staff personnel tasked to register all non-compliance maters identified at the municipality by various units and report such to accounting officer.	Ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members to avoid the risk of staff members not exercising proper oversight on SCM processes and procedures.	Register and monitor all non-compliance matters identified in the financial year and correct disclosure in the AFS	Management & council to budget on the next budget cycle for 2017-18 period to fully capacitate the SCM unit with competent staff to avoid the risk of overloading the current existing staff with work which might lead to errors due to lack of proper oversight.	01-Jul-18	Assistant Manager SCM	Lydia Sehlako
PDO/PERFORMANCE MANAGEMENT SYSTEM								
8	**The key performance indicator (KPI) target for DTS038 is not supported with valid PoE and thus the municipality could not measure it (Comaf 8)**	Whilst performing the usefulness test for KPI: DTS038 (Number of household provided with basic water daily with 57 108 target) we noted that the municipality lacked the ability to measure the target and thus ended up disclosing zero actual performance on the annual	The measurement required on the PoE was invoices .It only require invoices for water consumed while the billing system is not in technical and during the time we were submitting the PoE, the system was down to get it from	Adjust the SDBIP document to include the achieved outcomes and set measurable indicators and train KPI owners in the future.	To have limited access to the billing system for generating reports .Alternatively receiving the billing report from finance on monthly basis to account for water consumption.	17-Nov-17	PMS & Technical Services	CFO

		performance report (APR).	finance hence there was no evidence.					
36	**Differences between APR and PoE on various KPIs (Comaf 12 and 21)**	The following findings were identified whilst auditing reliability test for performance information: a) Whilst verifying the validity, accuracy and completeness of reported performance reflected in the annual performance report and portfolio of evidence (PoE) submitted, we noted the following differences: b) Whilst verifying the validity, accuracy and completeness of reported performance reflected in the annual performance report and portfolio of evidence (PoE) submitted, I identified the following differences:	There was an oversight o ensure that the reported performance in the APR reflects valid, accurate and complete PoE to justify the reported performance.	Submit the corrected APR with the correct PoE. Calculate all the number of households provided with access to refuse removal instead of calculating only the number of household where the refuse was actually collected	Communicate on a monthly basis to all relevant stakeholders responsible for gathering and submission of the evidence for performance information to submit such information within set timelines.	28-Feb-18	Manager Technical and (Acting Manager: SDS	Raisibe Morudi & Amiha Aphane
				SUPPLY CHAIN MANAGEMENT				
12	**Incorrect points awarded for BBBEE certificates (Comaf 14)**	Whilst auditing tenders, I identified the following: 1. I inspected a BBBEE certificates of the bidders noted below for a tender, Professional team for the design and construction monitoring for the upgrading of Tweefontein reservoir storage for a period of 36 months and identified that SADEC PC the winning bidder had a level 3 status yet the points allocated to the supplier was 10 instead	There was an oversight responsibility to ensure that preference points were calculated correctly based on the available tender documents including the original BBBEE certificates submitted by service providers before awarding the tender to any winning bidder.	Check list will be develop for both bid Evaluation members and bid adjudication to confirm the correctness of the calculation.	Review and monitor compliance with applicable legislation	28-Feb-18	Assistant Manager SCM	Lydia Sehlako

		of 8. The table below reflects the municipality's calculations Vs AGSA calculations on the total points awarded to each bidder. 2. I inspected a BBBEE certificates of the bidders noted below for a tender, Engineering and Construction Services for the New Reservoir and Pipeline at Kwa-Mhlanga for Phola Park and Mountain View Communities, Phase2, Turnkey and identified that Tumber Fourie Consultant Engineers, one of the service providers that did not win had a level 1 status yet the points allocated to the supplier was 9 instead of 10. The table below reflects the municipality's calculations Vs AGSA calculations on the total points awarded to each bidder.						
16	**Non-compliance identified with various SCM legislations (Comaf 17)**	With reference to the table below whilst testing tenders, the following non-compliance matters were identified. The finding reference takes into account the regulations noted in the table above.	There was an oversight to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid risks of staff not exercising proper oversight on SCM processes and procedures.	Ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	30-Jan-18	Assistant Manager SCM / Acting CFO and Accounting Officer	Lydia Sehlako, Jessica Mahlangu & ON Nkosi

17	**Non-compliance identified with various SCM legislations (Comaf 18)**	With reference to the table below whilst testing quotations, the following non-compliance matters were identified. The finding reference takes into account the regulations noted in the table above.	The was an oversight responsibility to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid risks of staff not exercising proper oversight on SCM processes and procedures.	Ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Review and monitor compliance with applicable legislation	30-Jan-18	Assistant Manager SCM / Acting CFO and Accounting Officer	Lydia Sehlako, Jessica Mahlangu & ON Nkosi
18	**Non-compliance identified with various SCM legislations (Comaf 18)**	With reference to the table below whilst testing quotations, the following non-compliance matters were identified. The finding reference takes into account the regulations noted in the table above. With reference to the table below, we further noted that the total amount disclosed in Note 43 for VTT reflects R140 000 for irregular expenditure as opposed to R10 516 447,25	There was an oversight responsibility to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid risks of staff not exercising proper oversight on SCM processes and procedures.	Ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Review and monitor compliance with applicable legislation	30-Jan-18	Assistant Manager SCM / Acting CFO and Accounting Officer	Lydia Sehlako, Jessica Mahlangu & ON Nkosi
19	**Annual financial statements not submitted by the winning bidder (Comaf 20)**	Whilst auditing a supply chain management tender with project name: Professional team for the design and construction monitoring for the upgrading of existing infrastructure from agricultural project to augment borehole water supply in Bundu for a period of 36 months, I noted that the winning bidder, Monde	There was an oversight responsibility to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid risks of staff not exercising proper oversight on SCM processes and	Tighten the monitoring controls around compliance matters to ensure that all winning bidders have complied with the necessary legislations This can be done through a formal checklist where the final approver of the bid is provided with such a	Exercise sufficient oversight responsibility to ensure that various legislations were complied with before awarding the awards to winning bidders.	28 feb 2018	Assistant Manager SCM	Lydia Sehlako

		Consulting Engineers did not submit the annual financial statements as required by the above mentioned regulation for an award of R13 645 141.03.	procedures.	checklist accompanied with valid supporting documents before making a decision.				
21	**Non-compliance identified with various SCM legislations (Comaf 23)**	With reference to the tables below whilst testing tenders, the following non-compliance matters were identified. The finding reference takes into account the regulations noted in the table above. a) Through the inspection of the bid specification minutes and the advert, I noted that the preference point system was not specified as required by the PPPFA. The bid documents only stated that a PPPFA will be used but was not specific regarding the system that will be used. The municipality erroneously applied the Regulation effective on 01 April 2017 as opposed to the one before that date which is quoted in the table above. b) Through discussions with management I have confirmed that the municipality did not have three persons who are fully conversant with the technical aspects of the procurement during the evaluation process.	The was an oversight responsibility to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid risks of staff not exercising proper oversight on SCM processes and procedures.	Ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Review and monitor compliance with applicable legislation	30-Jan-18	Assistant Manager SCM / Acting CFO and Accounting Officer	Lydia Sehlako, Jessica Mahlangu & ON Nkosi

22	**Bid specification and evaluation criteria was not applied (Comaf 23)**	Whilst evaluating a tender for Request for proposals for a panel of professional legal services provider for a period of 36 months, I noted that the following panel members were appointed even though the bid specification and bid evaluation requirements were not applied. The municipality could not provide us with justifiable reasons why such a deviation was made instead a decision was taken based on bid evaluation committee minutes dated 17 February 2017 that all the lawyers be appointed according to section 5(5) Government Gazette No.32489 of 2009. The bid specification and bid evaluation requirements which were supposed to be applied are stipulated in the table below:	The was an oversight oversight responsibility to ensure that the SCM unit is fully capacitated to reduce the load on current existing staff members in order to avoid the risks of staff not exercising proper oversight on SCM processes and procedures	Ensure the panel will not be used until the end of the contract	Review and monitor compliance with applicable legislation	30-Jan-18	Assistant Manager SCM	Lydia Sehlako
24	**Employees in the service of the state (Comaf 24)**	With reference to the table below whilst auditing quotations and tenders, through CAATs we identified the following employees who are in the service of other state institutions whose companies received work from the municipality and yet did not declare that they are employed	There was no additional controls to monitor the declaration of suppliers over and above the MBD 4 documents the municipality currently have.	Assign the responsibility of interest checks to a specific unit to ensure that all suppliers are screened thoroughly through other mechanisms before they are appointed.	Review and monitor compliance with applicable legislation	01-Jul-18	Assistant Manager SCM	Lydia Sehlako

		by the state:						
43	**Non-compliance identified with various SCM legislations (Comaf 24)**	With reference to the table below whilst testing tenders, we noticed that the following suppliers were sub-contracted by winning bidders. We then confirmed that the winning bidders did not declare on their bid documents that they will be sub-contracting part of their work and the municipality does not have mechanisms to track all sub-contracted work to ensure that all necessary approvals are granted by the accounting officer.	There was no additional controls to monitor the declaration of suppliers over and above the MBD 4 documents the municipality currently have.	Update the subcontractors register and ensure all subcontracting schedule on the tender document is completed before effecting any cession payment. The Supply chain Management policy will be review to suit all construction and sub-construction condition.	Review and monitor compliance with applicable legislation	30-Jan-18	Ass Manager SCM	Lydia Sehlako
44	**Control deficiencies identified on use of consultants (Comaf 24)**	Whilst testing the monitoring controls instituted by the municipality on the use of consultants, the following control deficiencies were identified. a) The municipality does not have the following: i. Strategy/ measures to address over reliance on consultants in a form of a consultancy reduction plan including a gap analysis report that highlights the extent of use of consultants and the impact thereof on the municipality. ii. A plan to address poor performance based on the work conducted by consultant's eg poor quality of	There was an oversight to implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	The municipality will develop gap analysis and monitor the performance of consultants and review contract based on performance	All appointments should be made after following proper processes of SCM to avoid the risks of awarding contracts to suppliers without assessing the needs for such services	30-Jan-18	Municipal Manager , CFO & Assistant Manager SCM	ON Nkosi, Jessica Mhlangu & Lydia Sehlako

		the AFS prepared by Munsoft submitted for audit on 31 August 2017. b) Some of the appointments for consultants was not supported by a proper needs analysis eg Maxprof was appointed without any proper needs analysis being conducted by the municipality. c) Some of the consultants were appointed on primary functions/ roles which the municipality is supposed to cater for in-house and not outsource them to bring about suitability and consistency on those functions/ roles eg Maxprof Ltd for VAT returns, Munsoft ltd for annual financial statements (AFS) preparations and I@Consulting for fixed assets register (FAR) preparations. d) Some gaps were identified on skills transfer in the service level agreements (SLA) for consultants eg the terms of reference for Maxprof, Munsoft and I@Consulting did not outline an objective for transfer of skills, including the nature, scope and goals of the training programme. e) Gaps were also identified on contract monitoring processes eg meetings for Maxprof were						

		held quarterly as opposed to monthly basis per SLA						
SECTOR AUDIT								
13	**The road maintenance plan does not include all roads per the assets register (Comaf 15)**	Whilst verifying the accuracy and completeness of assets recorded in the road maintenance plan, I noted that the municipality only recorded 11 items whereas the fixed assets register (FAR) reflects 386, resulting in a difference of 375 asset understated in the plan. Refer to the attached annexure.	The plan only incorperate the planned roads for internal regravelling only and not all roads	The roads maintenance plan will be revised and adjusted to include all the roads in the municipality.	To review the existing plan on an annual basis to include new roads	31-Dec-17	Assistant Manager : Roads & Storm Water	Manager Tech
LIMITATION OF SCOPE								
14	**Supporting documents could not be provided (Comaf 16)**	The municipality could not provide the auditors with the supporting documents to test the validity, accuracy and completeness of information disclosed in Note 38.	There was an oversight to ensure that we provide an audit file for the note 38 disclosure together with the AFS	Set strict timelines for various line managers for the review process of the AFS to ensure that underlying information is readily available to all stakeholders who exercise oversight responsibility on that information.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	31-Dec-17	Acting CFO & Assistant Manager:Revenue, Assets	Jessica Mahlangu & Richard Makhubele
EMPLOYEE RELATED COST								
29	**Lack of controls to terminate employees**	Whilst performing testing on termination of employees, we	Management oversight	A system generated list will be retrieved and	1) Monthly system generated list will be	01-Dec-17	Assistant Manager:	Kholofelo

	on payroll system (Comaf 8)	noted that the following: 1. The municipality does not have proper controls to ensure the payroll certification is valid especially for the group of employees deployed in various offices not based at the head office. As a result it's difficult to trace if such employees are still in the service of the municipality. 2. The municipality failed to provide us with a complete list of terminated employees per RFI 18 since the following employees were omitted from the list even though in actual fact they were terminated per the payroll reports: a) SW Mtsweni – General worker. b) E Mabone – General worker		compiled on monthly basis.	retrieved and verified by the manager. 2) A departmental list of employees will be submitted to departmental managers on monthly basis for verification.		HRM	Mabuela
32	**Employee related costs disclosure misstatements (Comaf 10)**	Whilst verifying the completeness and accuracy of AFS Note 24 for employment related cost disclosure, we noted the following: • Remuneration for S.A Nxumalo was disclosed inappropriately since it reflected a car allowance of R93 744 instead of splitting that amount to R20 000 for car allowance and R73 744 for Contributions to UIF, Medical and Pension Funds. • Remuneration for MP	There was an oversight to ensure accurate and completed disclosure remuneration before they AFS were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Correction on disclosure to Employee related costs AFS	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	28-Feb-18	Assistant Manager Expenditure	Jessica Mahlangu

		Mabuzza was disclosed inappropriately since it reflected annual remuneration of R431 673 instead of splitting that amount to R299 991.69 for annual remuneration and R131 681.54 for Contributions to UIF, Medical and Pension Funds. • The Period of employment for Chief financial officer reflects an incorrect date of 01 August 2016 instead of 12 July 2016. • For Advocate JP Skosana, the disclosure is not clear for which post the employee was acting for. Also the period reflects August to November 2017 which is more than the 3 months prescribed acting period for acting purposes in terms of municipality policies.						
34	**Employee related cost incorrect Note disclosure (Comaf 11)**	Whilst verifying the completeness and accuracy of Note 24 on employment related cost disclosure, we noted that movement in accrued leave of (R1517,157.36) and leave days' pay of R535 880,93 were netted off together in the note to reflect (R981,276) called leave pay provision charge. Although the two amounts are both relating to leave, the above net of does not make it	There was an oversight to ensure accurate and completed disclosure on employee related cost before AFS were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Split the accrued leave days , leave days paid for correct disclosure note 24	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility	28-Jan-18	Acting CFO	Jessica Mahlangu

		clear to the financial users. The way the amount is presented does not give the users the ability to clearly evaluate decisions about allocation of resources the statement of financial performance.			over that information.			
37	**Misstatements on Note 44 disclosure (Comaf 13)**	1. Whilst auditing Note 44, I identified the following differences per the table below: 2. Whilst auditing Note 38 on employee related costs looking specifically at 2015-16 comparatives, I identified the following differences between the Note and the statement of financial performance. • Information per Note 38: • Statement of financial performance: employee related costs reflects R108 510 078.	There was an oversight to ensure accurate and completed disclosure on employee related cost before AFS were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Remapping within the AFS of the Ward committee allowance from "Employee related cost" component to "General Expense" component for the correct disclosure note.	To set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	28-Feb-18	Acting CFO	Jessica Mahlangu
EXPENDITURE MANAGEMENT								
[illegible]	**Differences identified between the statements of financial performance and Note 31 of the general expenditure (Comaf 15)**	Whilst auditing general expenditure, I identified the following differences which management was not able to account for:	There was an oversight to ensure statements of financial position balance to the general expenditure note before AFS were submitted for audit to minimise the possibility of submitting inaccurate information	The line item with respect to "amnesty written back" 2016-2017 has to be re-mapped to under the line "Operating surplus" within the Statement of Financial Performance.	Set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the	28-Feb-18	Ass Manager Revenue	Oupa Lwedwaba

			with significant errors.		municipality who exercises oversight responsibility over that information.			
				REVENUE MANAGEMENT				
5	**Amounts are incorrectly classified as grants and subsidies paid (Comaf 17)**	Whilst auditing grants and subsidies paid, I identified that the following transactions were incorrectly classified as grants and subsidies paid even though they relate to exchange transactions where the municipality received services before making payments for those services. 4. I also identified that the correct transactions which are supposed to be part of the grants and subsidies paid account (Note 20) were erroneously included under general expenditure Note 31 as part of other expenses disclosed for R48 922 826 – refer to the list below for such transactions:	There was an oversight to ensure that timely reviews and proper oversight on the AFS were properly performed before they were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Reclassification of votes FMG, MSIG, Financial statements and EPWP expenditure from Grants and subsidies paid to General expenses and Reclassification of vote's Free basic electricity and Free basic charge water 6kl from general expenditure to Grants and subsidies paid.	Set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	28-Feb-18	Assistant Manager: Budget & Reporting	Joster Moyo
5	**Traffic fines recorded in the 2016-17 period instead of 2015-16 period (Comaf 11 & 15)**	i. The following traffic fines income noted in the table below selected from the traffic fines list which corresponds to the GL were erroneously recorded in the current financial period even though the actual fines records indicate that they relate to	There was an oversight to ensure recording of fines in the correct financial year.	To ensure that traffic officers return traffic fine books on time to enable the finance team to process all relevant transactions on time without rushing the process to avoid the risk of processing	Exercise sufficient oversight responsibility to ensure that the correct tariffs were used for the relevant codes to avoid the risk of capturing the incorrect information in the GL.	28fb2018	Ass Manager Revenue	Oupa Ledwaba

		previous year's financial period 2015-16. ii. Whilst auditing the traffic fines selected from the traffic fines list which corresponds to the GL, I identified a human error on the incorrect tariff used for code: 2857 which was R3 000 instead of R500. As a result, the driver was charged an incorrect amount of R3 000 based on the traffic fines document and thus the GL was captured with the incorrect amount of R3 000 instead of R500.		transactions in the incorrect periods.				
38	**Misstatements identified on accounts receivables from exchange and non-exchange transactions (Comaf 13)**	Whilst testing the completeness and accuracy for accounts receivables, I identified the following matters: a) With reference to the table below, I identified 17 payments received from various debtors from the bank statements dated after 30 June 2017 which were not recorded in the debtors list at 30 June 2017. Such omissions indicate that the debtors list and accounts receivables from exchange and non-exchange transactions are incomplete: b) On the debtors list provided for audit which informs the accounts receivables reflected on the AFS, I identified debtors	There was an oversight to ensure correct amount on accounts receivables from exchange and non-exchange.	Investigated to identify where the problem is coming from and institute proper controls to prevent, detect and correct the problem timeously.	TO set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	28-Feb-18	Ass Manager Revenue	Oupa Ledwaba

		with credit amounts amounting to R7 406 604,79. Such an amounts should be disclosed as part of accounts payables from exchange or non-exchange transactions disclosed in Note 14 of the AFS. Refer to the attached Annexure for the details.						
INVENTORY								
	Misstatements identified on inventory valuation and ownership for land held for sale (Comaf 9)	Whist verifying inventory values and ownership at year end we identified the following findings: 1a) With reference to the table below for items which are linked to finding no 2 below, we noted that the municipality did not apply the GRAP 12 principles and their own accounting policy since management used the cost of assets valued at R800 000 instead of net realisable value (NRV) valued at R99 960 to value the inventory at year end. 1b) With reference to the table below, we noted that the municipality did not apply the GRAP 12 principles and their own accounting policy since management used the cost of assets valued at R55 180 000 instead of net realisable value (NRV) valued at R40 202 160 to value the	There was an oversight to ensure correct inventory valuation & ownership for land held for sale before AFS were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Monthly monitoring of the register for inventory held for sale.	TO set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.	28-Feb-18	Assistant Manager: Housing & Assistant Manager: Assets	Sibusiso Masilela & Richard Makhubele

		inventory at year end. 2) With reference to the table below, the municipality could not prove ownership for these inventory items: 3) The AFS reflected an amount of R135 644 774 in Note 5 whereas the inventory list provided for audit from which samples were selected from reflected R121 392 000. This resulted in a difference of R14 252 774 which could not be substantiated by the municipality						
5	**Misstatements identified in the PPE and Inventory (Comaf 16)**	"1. A comparison was conducted by AGSA on the Deeds search results that were given to AGSA by the municipality Vs the Inventory list and FAR provided by the municipality. From that comparison, we identified the following findings: a) Inventory listing (land held for sale) results						
31	**Land held for sale inventory disposals are still included as part of inventory at year end (Comaf 10)**	With reference to the table below, the inventory items were sold during the year but still appeared as part of year-end balance disclosure in the AFS Note 5.	There was an oversight to ensure correct land held for sale before AFS were submitted for audit to minimise the possibility of submitting inaccurate information with significant errors.	Monthly reconciliation of the Inventory stands held for sale register	TO set specific timelines for various line managers to conduct thorough reviews on the AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the	28-Feb-18	Assistant Manager Assets	Richard Makhubele

					auditors or to other stakeholders of the municipality who exercises oversight responsibility over that information.			
				REPAIRS AND MAINTANANCE				
8	**Incorrect classification of repairs and maintenance as opex instead of capex (Comaf 11)**	With reference to the table below, I noted that expenditure items were incorrectly expensed to the repairs and maintenance account instead of being capitalised as property, plant and equipment (PPE)	Water Service Infrastructure budget project were not correctly classified on maintenance and Capex on maintenance was not Capilised	Management will ensure that a full reconciliation is performed on the Repairs & Maintenance votes and all the expenditure relating to Capex will be capitalised if completed or classified under WORK IN PROGRESS. And adjust the AFS accordingly.	Unbundling of assets from non-assets projects. Identify the project which are classified as capital within the maintenance vote. Capitalizing Capex project under maintenance vote to finance.Capturing and correction on the system with finance	15-Nov-17	Assistant Manager Assets and Assistant Manager Roads & Storm Water, Assistant Manager PMU and Assistant Manager SDS	Manager Tech
				INFORMATION TECHNOLOGY				
0	**Control deficiencies identified in the IT policies (Comaf 9)**	The following control deficiencies were identified on the information system policies listed below. a) The IT security policy does not address the following matters: • Security awareness and training. • Evidence of, or requirement for reviewing the policies, should there be changes in the environment / or based on the change in the level of risk of the entity. b) The ICT Change Management Procedure does not address the following matter: • Rules to deal with	Management Oversight	Policies to be reviewed and submitted to council for approval. Change Management form to be reviewed.	Policies to be reviewed and submitted to council for approval. Change Management form to be reviewed.	31-Dec-17	Assistant Manager ICT and Admin	Themba Ntimane

		non-compliance. c) The change request form does not address the following areas: • Risk of not implementing the update. • The estimated cost of the update/upgrade. • Backout/ rollback procedures. • Who will be responsible for implementing the change? The ICT Back-Up Procedure and Backup policy does not address the following matters: • Backup strategy. • Retention period						